

Family set on paying kidnappers

The family of Mr Bernard Dunne, the kidnapped Irish businessman, remain determined to hand over the £500,000 ransom demanded despite being prevented from doing so by police action on three occasions. The search for Mr Dunne is being concentrated in a small area around Crossnacreegan, Armagh, and Hackballcross in Co Louth. Page 2

Swan & Edgar to close

The Swan & Edgar department store is to close in the new year. The Dublin branch is selling the building in Piccadilly Circus because it does not think the investment needed to make the store more profitable would be worthwhile. Page 2

TUC warning to Tebbit

The TUC has given a private warning to Mr Norman Tebbit, Secretary of State for Employment, that any further union legislation will prove disruptive. Union leaders are drawing up plans to resist any fresh cuts on their powers. A campaign is being planned for when proposals for Labour law reform are revealed. Page 3

Docherty cleared of perjury

Tommy Docherty, manager of Preston North End Football Club, was cleared of perjury at the Central Criminal Court. He had denied two offences allegedly committed while giving evidence in 1978 in his libel action against Willie Morgan, a former Manchester United footballer, and Granada Television. Page 4

Nationality Bill through Lords

The British Nationality Bill completed its passage through the House of Lords, but only after bitter criticism from the Archbishop of Canterbury. In the view of leaders of all the churches, the Bill was questionable when judged by moral principles, he said. Parliamentary report, page 9

Nurses arrested in Zimbabwe

To break up demonstrations in Salisbury by striking nurses and teachers, Zimbabwean police arrested 75 people who were later released. Police were ordered to break up any future demonstrations. Page 6

Police can evict site protesters

The Court of Appeal ruled that demonstrators in Cornwall who, at the invitation of the landowner, have been keeping the Central Electricity Generating Board from surveying a site for a nuclear power station may be removed by Mr John Alderson, the chief constable. Back page

999 police car killed cyclist

A police driver answering a late night emergency call went to the wrong side of road bollards at an alleged speed of 60 mph and killed a cyclist aged 18 who was making a right turn in front of him. It was alleged at Oxford Crown Court. Page 4

Solidarity bans protest action

The leadership of the Solidarity Independent Trade Union Movement in Poland issued a directive to all branches to abstain from protest action but warned the Government against its declared intention of seeking parliamentary approval to suspend the right to strike. Page 6

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Letters: On BL from Mr D. J. Buckle, and Mr B. Yeate-Brown; prison inspections, from Mr G. L. Thorpe, and Mr Louis Blom-Cooper, QC; disarmament, from Rev Dr Kenneth Greet, and Mr Nicolas Walker.
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Sri Lanka: a five-page Special Report to mark the state visit by the Queen and the Duke of Edinburgh.

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Cabinet fails to agree cuts in public spending

By Julian Haviland, Political Editor

After three hours of difficult discussion, the Cabinet failed yesterday to agree on the overall amount of cuts required in next year's planned level of public expenditure. The Treasury request for total cuts of some £5,000m, to keep spending in line with the medium-term strategy, met firm resistance from the majority of the Cabinet. Ministers said afterwards that there was little chance of more than half that total being achieved. A head count of those around the Cabinet table in Downing Street indicated that of 21 ministers present, only six supported the Treasury, including Mrs Margaret Thatcher, the Prime Minister, and the two Treasury ministers, Sir Geoffrey Howe (Chancellor of the Exchequer) and Mr Leon Brittan (Secretary to the Treasury). Lord Hailsham, the Lord Chancellor, and Mr John Nott, Secretary of State for Defence, were absent.

At the end of the debate, the first attempt by the new Cabinet to find common ground on public expenditure levels, the Prime Minister was reported to have asked her colleagues to "go away and do the best you can". Mrs Thatcher leaves today for the North-South summit in Mexico. Meanwhile, Mr Brittan is to resume at once his task of tackling cuts by one of his colleagues who head the spending departments, in the hope of persuading them to reduce their demands. His prospects of success looked poor last night. A discussion in the Cabinet will be resumed a week on Thursday. The Treasury hopes that broad agreement will have been reached, for better or worse, by the third week of November.

Although little information was officially available after this meeting, several accounts said that support for the Treasury came from the new members promoted to the Cabinet last month: Mr Nigel Lawson (Energy), himself a former member of the Treasury team, Mr Norman Tebbit (Employment) and Mr Cecil Parkinson (Chairman of the Conservative Party), as well as Sir Kenneth Robinson (Education) and Mr Joseph Education, and Mr Norman Fowler (Social Services).

But a powerful speech against the Treasury case was made by Mr John Biffen, the former Conservative Secretary to the Treasury and now Secretary of State for Trade. Mr Biffen was moved from the Treasury by the Prime Minister last January after he signalled his doubts about the strategy which he formerly upheld. At a meeting of the Conservative backbench finance committee, he had described the M3 measure of monetary

control as "a disaster". For every supporter she has recruited, one minister said, she has lost another to the opposing camp. Back in the ring, page 2

56,000 adults lost their jobs last month

By David Blake, Economics Editor

Unemployment stayed below the politically sensitive three million mark in October because more than 50,000 school leavers found jobs.

But the figures concealed a sharp rise in the underlying rate of unemployment, with the number of adults out of work increasing by 56,200 once allowance is made for seasonal factors, the biggest jump for six months.

The total figure for people out of work in October was 2,998,644, a drop of 10,145 on the September level. The percentage unemployed stayed constant at 12.4 per cent, or about one in eight of the workforce. Seasonal factors mean that unemployment among the total population is likely to fall again next month, but the steady rise in the underlying figure suggests that the three million figure will be breached in December or January.

The latest figures were denounced as shameful by Mr Michael Foot in the House of Commons, who announced that the Labour Party would demand a censure debate. A group of job protesters were also ejected from the public gallery at the House.

Others to express their concern were Mr Len Murray, of the TUC, and Sir Raymond Pennock, of the CBI.

The most worrying feature for the Government is that the increase in the underlying level of unemployment seems to be picking up again after easing off in the summer.

The underlying rate of increase dropped to only 30,000 a month in July but has risen steadily since then to its present level of 56,000 a month. It is still too early to be sure that this worsening will turn into a definite trend, however.

There are now slightly more vacancies on offer at employment exchanges than there were a few months ago. It seems likely that the economy's output stopped falling at some point in the summer.

Brezhnev attacks Reagan's 'madness'

By Our Foreign Staff

President Brezhnev in an interview published today, joined battle with President Reagan over the latter's claims that Moscow believed in the possibility of victory in a nuclear war.

In a scathing response to Mr Reagan's recent remarks which the American leader had used to justify Washington's accelerated nuclear arms programme, Mr Brezhnev told Pravda that it was a "dangerous madness" for anyone to count on victory in a nuclear war.

"Only he who has decided on a suicidal course can start a nuclear war in the hope of emerging a victor from it," Mr Brezhnev said.

"No matter what might the attacker possess, no matter what method of unleashing nuclear war he chooses, he will not attain his aims. Retribution will ensue ineluctably."

In his comments, published in today's issue of the official Soviet newspaper, Mr Brezhnev did not make any direct reference to the latest controversy over President Reagan's recent remarks about the United States possibly surviving unscathed from a nuclear exchange in Europe.

Mr Brezhnev, who was answering questions put to him by a correspondent of Pravda, said that the efforts of the Soviet leadership were directed at preventing nuclear war altogether — at eliminating the very danger of its outbreak.

"Why was the United States not supporting the proposal made by the Soviet Union at the current session of the United Nations General Assembly to forego any first nuclear strike?"

Yesterday at the Nato Defence Ministers' meeting at Genoa, British and American officials including Mr Caspar Weinberger, the United States Defence Secretary, were at pains to dismiss any suggestion that the impromptu answer on the nuclear strike by President Reagan last week could become a divisive issue in the alliance.

The controversy largely surrounded one sentence in which he said: "I could see where you could have the exchange of tactical (nuclear) weapons against troops in the field without it bringing either one of the major powers to pushing the button."

At the end of a debate in which there was little discussion of what each department might contribute by way of cuts, ministers were saying last night that one thing was clear — that the Prime Minister, in spite of having last month promoted several loyal supporters to her Cabinet, is no nearer to commanding the support of the majority of her colleagues on the central question of economic strategy.

For every supporter she has recruited, one minister said, she has lost another to the opposing camp. Back in the ring, page 2

The immediate interpretation of Mr Reagan's remarks was that the possibility of a nuclear exchange was being taken seriously. In Europe, where the United States has many bases, the possibility of a nuclear exchange was being taken seriously. In Europe, where the United States has many bases, the possibility of a nuclear exchange was being taken seriously.

After pointing out that the United States had a large stock of what was happening, Mr Reagan said that the United States had a large stock of what was happening.

In Washington, meanwhile, Mr Reagan has dismissed remarks by Major-General Robert Schweitzer, one of his national security advisers, that there was a "drift toward war" with the Soviet Union. General Schweitzer has been dismissed from the White House staff and transferred to the Defense Department.

Reagan controversy, page 6

Salman Rushdie, a young Indian who lives in London, was awarded the Booker Prize last night for his novel, *The Satyricon*, published by Jonathan Cape.

His victory confirms the literary folklore that the favourite in the betting usually wins Britain's most valuable prize for fiction; and that the judges tend to look favourably on big books about India. It is a frivolous way to look at good books.

The children in the tide of the winning novel are the young and old in the story to have been born in the mid-nineteenth century of India's independence. The children born in that magic hour are said in the novel to be endowed with an extraordinary talent; and the prize and curse of being there masters and victims of their times. The hero and narrator of the book finds himself



Workers at National Carriers' depot near Paddington station, London, yesterday. Soon they may be part-owners of the business (Photograph by Brian Harris).

We just can't lose, the freight workers say

By a Staff Reporter

The idea of the workers owning their own business, proposed for the state-owned National Freight Corporation, got a thumbs down from a senior official of Britain's biggest union yesterday. "It's a terrible idea, a con," Mr Alex Klison, deputy general secretary of the Transport and General Workers' Union, said.

But drivers, warehousemen, and clerks of the corporation, interviewed in London yesterday were full of enthusiasm. "I don't think we can lose," said Miss Margaret Hansford, aged 57, a clerical officer who intends to take advantage of

the banking consortium's £2m fund to enable staff to borrow up to £200 interest-free for a year to buy shares. And the National Union of Railwaysmen disowned from the TGWU. "We welcome this initiative. We are opposed to privatization, but this is preferable in that the staff retain an interest."

The sale by the Government, at a knockdown price of £53.5m, is dependent on the 25,000 staff's finding at least £2m out of their own pockets by the new year.

At least three fifths of the staff are expected to take up shares in the company. It is a

varied enterprise owning 15,000 lorries, which makes it Britain's biggest road transport fleet. It moves fish from port to dinner table, house furniture, timber, and parcels. It removes waste, warehouses almost anything, and runs a travel agency business.

It is much decentralised with 500 to 600 depots, each with its own profit and loss account, already a keen sense of business among the staff.

Mr Ron Peterson, aged 61, a driver, said: "We haven't a problem here with strikes and trouble between management and employees, but people should work together even

better. I think that we are on a winner."

Mr Michael McSweeney, aged 29, a warehouseman, said frankly: "The least successful elements should fall by the wayside. It sounds brutal, but it should make it easier to prune and cut back. It offers pride in participation. It gives people a say in the firm they work for and that should make it more successful."

Mr Peter Thompson, aged 53, the corporation's chief executive, who is the architect of the sale and is putting in £40,000 himself, does not predict an overnight revolution. Continued on back page, col 6

BL to stand firm in face of strike call

By Edward Townsend and David Macintyre

BL, the state-owned motor group, faces what one union leader described yesterday as the country's most disastrous industrial dispute since the war, will falling agreement to begin to formalise contingency plans next week for the liquidation of the company.

Union officials are due to meet management negotiators tomorrow but, on the issue of pay, will be confronted with a Government-backed BL determination not to improve on its 3.3 per cent pay offer to car workers.

If no compromise is agreed within the next few days, the BL board will announce a strike by BL workers — 20,000 workers — will be ordered to abandon its 1980 production plan.

Mr Roy Horrocks, chairman of BL, said yesterday that Mr Patrick Jenkin, Secretary of State for Industry, understood the Government's position and that the Government was determined to stand firm.

BL's board of directors, which was set up last week, is expected to meet tomorrow. A large majority of the workforce in the company is expected to vote in favour of a strike on Friday.

Mr Horrocks said that while the labour force had been reduced by 40 per cent, productivity had increased by 30 per cent. "We have gone from a situation where one man was producing seven cars a year to one where production is 24 cars a man per year."

Leyland union negotiators are to report formally on the outcome of Friday's mass meetings to the 200 senior stewards at Canley and then to meet management to discuss the separate and unresolved issue of the working week.

Mr Horrocks said that BL had no plans at present for liquidation nor were there plans for a ballot of the workforce.

The BL Cars chairman was speaking at the press preview of Motorfair, the first motor show to be held in London for four years, at which one of the stars is the Triumph Acclaim, BL's new saloon car, which is being built at Cowley in collaboration with Honda of Japan.

After only two weeks on sale, the Acclaim is doing 3.5 per cent of the home car market and 2,000 have been sold to fleet buyers.

Mr Horrocks said he did not regret the letter sent to workers before the strike vote which attempted to point out that job prospects at the Longbridge and Cowley factories were as good as those for anyone in the country.

Storms cause chaos on road, rail and at sea

By a Staff Reporter

Gales and rain storms hit Britain yesterday, causing road and rail chaos and cutting off villages in the South and South-east.

In the Channel, a round-the-world yachtsman sent out a "may-day" call when he lost control of his craft seven miles off Dungeness, Kent. Coastguard, lifeboatmen and the Royal Air Force went to help Mr Louis Briot and he was taken to Dover by lifeboat.

Mr Graham Cresswell and his wife Anne, were rescued south of the Isle of Wight after a 12-hour ordeal after gales hit their 31ft catamaran on a trip from Sark to Alderney in the Channel Islands. The craft's automatic pilot broke down, their dinghy was torn away and the forest ripped. The couple, from Cornwall, were towed into Poole, Dorset, by the Yarmouth lifeboat.

Three men were trapped for one and a half hours on the A246 at Merrow, near Guildford, Surrey, when a 30ft tree fell on their transit van, crushing their cab. They were taken to the Royal Surrey County Hospital with serious injuries after being freed by firemen.

Fallen trees cut off the Sussex village of Cowfold and roads were also blocked near Handcross, Crawley, Hastings, Maresfield and Newick. Almost every Southern region rail line was hit during the morning rush hour. A tree blocked the London to Brighton line and King's Cross station in central London was flooded.

Forecast, back page

Big book on India wins Booker again

By Philip Howard, Literary Editor



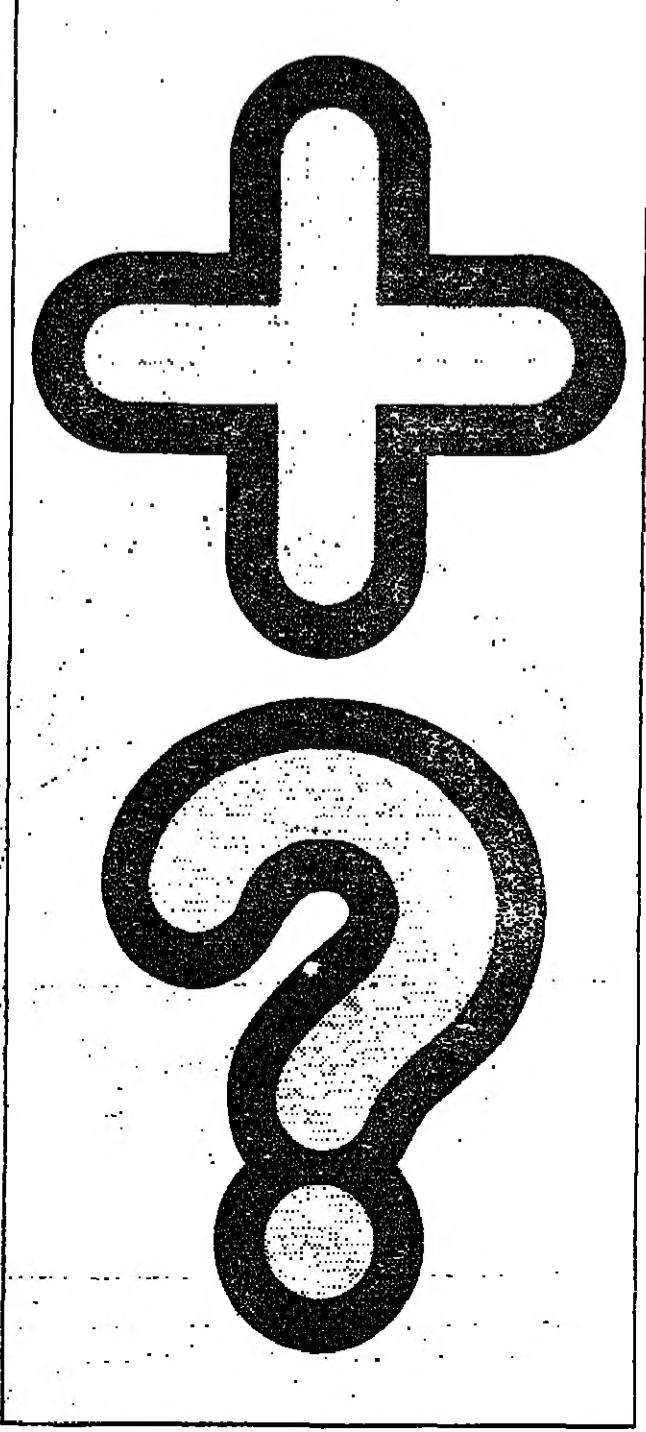
Salman Rushdie: £10,000 prize for "magic hour".

like Nehru and Shaikh Mujibin Bangladesh make guest appearances.

Salman Rushdie was born in Bombay in June, 1947. He is the author of one previous novel, *Grimus*. His publishers had three books in the short list of seven for the prize, worth £10,000.

Professor Malcolm Bradbury, the chairman of the judges announced the award at a time to suit television schedules, but calculated to cause the maximum inconvenience to the daily press. Distinguished literary editors, who had not broken into more than a shuffle for years, had to scramble for the single telephone in Stationers' Hall, City.

Presenting the cheque, and a leather-bound copy of his work to Salman Rushdie, Professor Bradbury described his book as "a brilliant experimental novel, but also a very funny book."



Police and kidnap victim's family in battle of wills

From Christopher Thomas, Belfast

A battle of wills has developed between the police and the family of the kidnapped Irish millionaire, Mr. Bernard Dunne, over attempts to meet a £500,000 ransom demand.

The family made it clear from their home in the exclusive Castleknock area of Dublin last night that they are still determined to hand over the money, despite being prevented by police from doing so on three occasions since Friday's kidnapping on the Irish border near Newry.

The Garda in the Republic and the RUC in Northern Ireland are equally determined that the money will not be handed over in case it goes to subversive groups.

Mrs Mary Dunne said her only concern was to get her husband back. "I will do whatever the kidnappers want. His release is my only priority. I do not care what the authorities' view of the situation is."

Mr Dunne, aged 34, is joint managing director with his brother, of Dunne's Stores, a chain of 66 shops on both sides of the Irish border selling drapery goods, clothes, hardware goods and food.

The business was started by Mr Dunne's father, an Ulsterman who is in his 70s, and is company chairman. He began with one shop in Cork in the late 1940s and his £200m business now ranks as the seventh biggest in the list of top Irish companies.

The Dunne family keep firmly out of politics and are not heavily involved in the Dublin social scene. The stores, which are promoted almost daily in a radio, television and press

advertising campaign, are a familiar sight in all main Irish towns.

Mr Dunne has four children, who have not been told of his abduction: Mark, aged eight, Robert, aged six, Caroline, aged two, and Nicholas, aged two months.

The search for Mr Dunne is being concentrated in a small area in Co. Armagh and Co. Louth.

The Provisional IRA denies involvement, but one theory is that a small group of republicans, acting independently, is responsible.

Those close to the IRA, however, say the Provisionals are extremely uncomfortable at being surrounded by such intense police activity and may initiate their own efforts to get the affair sorted out to get the police out of the area.

The future of the Anglo-Irish joint study groups established in January is to be considered in the next few weeks when Mrs Thatcher meets her Irish counterpart, Dr Garret FitzGerald at Downing Street for the first time since Dr FitzGerald's election.

Dr FitzGerald seems certain to propose some form of political dialogue between Dublin, Westminster and Belfast to try to establish a closer relationship between Northern Ireland and the Republic.

Two men shot a boy aged 12 last night as he stepped from a sweet shop in Ligoniel Road, north Belfast (the Press Association reports). His condition was not believed to be serious.

Ghenghis gibe at Thatcher

By John Witherow

Mrs Shirley Williams, a joint leader of the Social Democratic Party, last night compared the Prime Minister to the legendary tyrants Ghenghis Khan and Tamburlaine.

Speaking in Croydon in support of the Liberal Democrats, Mrs Williams said that Mrs Margaret Thatcher described herself as a "conviction politician". There have been many conviction politicians in history ever since Tamburlaine and Ghenghis.

Just as compassion without conviction is rightly described as a sin, conviction without compassion is not going to be the basis on which this country can learn to build its future together.

Britain can expect a series of hard winters if the Government continues with its policies and does not avert its policies. Mr Michael Foot, leader of the Labour Party, said in Croydon earlier.

Speaking soon after putting down a motion in the Commons censuring the Government, Mr Foot described the unemployment figures as a national catastrophe of the first order. He said unemployment had never risen so high in British history, and if nothing was done to reduce it and to take pressure off the trade unions and local authorities, "then the British people are going to see a very hard winter indeed, and for several winters ahead."

Mr Foot, who arrived in the Croydon, North West, constituency to support Mr Stanley Boden, the Labour candidate in tomorrow's by-election, also attacked President Reagan's comment that he could envisage a limited nuclear war in Europe.

"If President Reagan wanted to say anything which would greatly mobilise the anti-nuclear camp throughout Europe, he could not have said it more clearly."

Mr William Whitelaw, the Home Secretary, who was in the constituency to meet leaders of ethnic groups, maintained the Conservatives could retain the seat if they kept their support.

Frank Johnson, back page

Party champions back in the ring and fighting fit

By Hugh Noyes, Parliamentary Correspondent, Westminster

They do not call her the Iron Maiden for nothing.

After a week of Mr Heath and Sir Ian Gilmour at Blackpool, Mrs Margaret Thatcher might have been excused a little pallor about the cheekbones. Not a bit of it. There she was in the House of Commons yesterday, rosy faced and bushy tailed, hammering away at Mr Michael Foot as though the summer recess had never existed.

Nor does Mr Foot seem to have mellowed much over the past couple of months. No backdated birthday greetings for the Prime Minister, no mutual considerations over thorns in flesh. Bung, wallop, Mr Foot was announcing a censure motion on unemployment.

Eight people in the public gallery shouted: "Jobs not bombs", only to be instantly jumped upon by eager guard-

ians of the peace while Mrs Thatcher beamed acidly like the spider welcoming the foolish fly into her web.

The Prime Minister went straight into her sweetness and light as she was genuinely hurt and surprised that Mr Foot could not see any hope for the unemployed in the unemployment figures, nor could she understand why he was so annoyed at her decision to flog the North Sea and the National Freight Corporation to the highest private bidders.

Mr Foot, who is not paid to be optimistic about anything that the Government is doing, announced rather pompously that he would restore to "British control" everything that she gave away and that he was out to protect British interests. Mrs Thatcher replied that she was out to protect the interests of the consumer.

The Leader of the Opposition took one set of figures from the unemployment statistics to show that things were getting worse. Mrs Thatcher promptly seasonally adjusted them and showed that things were getting better.

At that point, Mr David Steel, the Liberal leader, got into the act by referring to the constructive advice given recently by Mr Norman Tebbit, Secretary of State for Employment, that the unemployed might have better success in finding jobs if they got on their bicycles. That suggestion will rank among the great sayings of our times, alongside Mr Thatcher's advice during the electricity cuts of the three-day week that we should brush our teeth in the dark.

Where did the Prime Minister think that those people should

cycle to, Mr Steel asked. That question was not worthy of the Liberal leader, Mrs Thatcher replied, reminding him of the 253,000 who had come off the unemployment register last month. "All cyclists", an Opposition MP shouted.

All good things have to come to an end sometime and, after announcing that she was off to Mexico, Mrs Thatcher swept out of the Commons, leaving the floor to Mr Alick Buchanan-Smith and the problems of the British glasshouse.

Mr Buchanan-Smith, Minister of State, Agriculture, quickly made clear that the glasshouse was concerned with was not the sort in which Mr Whitelaw gives short, sharp shocks to the nation's unruly youth. The British tomato was under threat from overseas, a fate that almost moved Mr George

Thomas, the Speaker, to break his vow never to indulge in controversy.

Scarcely was the tomato out of the way when Mr Norman Atkinson rose in defence of the British hen, seconded by Miss Janet Fookes from the Tory benches. Mr Atkinson got quite excited claiming that chickens were being jammed into cages no larger than the House of Commons order paper. It all got rather complicated because Mr Atkinson is one of only a handful of MPs who have gone fully merric.

Changing a chicken into square centimetres is clearly a calculation that no honourable member should be asked to do only two days after the summer recess. But at least it showed that the House was back to normal.

Parliamentary report, page 8

Science report

War brings elephant population explosion

By Tony Samstag

The eight-year war of independence in Rhodesia, now Zimbabwe, has had one agreeable and unforeseen consequence: a population explosion among elephants. Officials in the Zimbabwe Department of National Parks believe that there have never been more elephants in Zimbabwe than now.

Writing in the current issue of *Oryx*, the journal of the Fauna and Flora Preservation Society, John B. Halligan figures that there are at least 43,000, in seven distinct habitat areas, as against 10-15,000 40 years ago.

"The war... was fought mainly in the bush in some of Zimbabwe's prime wildlife habitat. One of the expected benefits was a decline in wildlife poaching. Poachers stayed out of the bush because of the danger of attack by government or guerrilla forces."

The author notes, however, that wildlife management did suffer during that period so that "populations, particularly elephants, have exceeded carrying capacity in some parts" and culling may be necessary in at least one national park area.

Poaching, in any case, has always been less of a problem in Zimbabwe than elsewhere, most notoriously East Africa, in large part because the complex and efficient "middenland" network for exporting ivory has never developed.

With those historical advantages, augmented by the moratorium on poaching, Zimbabwe "presents a bright portrait of success in what is too often viewed as the dark future of wildlife conservation in Africa."

About 15 per cent of the country's land area is in national parks and wildlife lands, so-called, which include game reserves, research areas, recreational parks, sanctuaries, botanical parks and forestry lands. Source: "Elephants and war in Zimbabwe," by John B. Halligan, *Oryx*, vol. xvi, no. 2, pp. 161-4. (Zimbabwe Society of London, Regent's Park, London NW1 4RY; £2 plus postage.)

Swan & Edgar will close in new year

By Baron Phillips

The Swan & Edgar department store in Piccadilly Circus is to close early in the New Year.

Debenhams, who own the store, issued a terse statement last night saying that contracts for the sale of the group's leasehold interest in the building have been accepted.

The sale is expected to be completed on January 18 and the store is likely to close shortly after that.

The company says the closure decision was taken because of the store's poor trading prospects and the need for extensive modernisation to make it more profitable.

The company believes it would be imprudent to undertake a capital expenditure programme as the lease runs out in a few years.

Profits of the group, which includes 70 stores, including the Hamleys toy shop, have been under pressure recently. The company announced pre-tax earnings for the half year marginally down on the same period last year at £11.1m, but most of the group's profits are made in the second half and in the year to January 31, 1981.

Debenhams produced pre-tax profits of £25m, an advance of more than £4m on the previous year.

The Swan & Edgar store is

probably one of the oldest landmarks on Piccadilly Circus. It has been in its present form since the 18th century and store has been on the site since the days of Queen Victoria.

Debenhams have owned the Drapery Trust in 1927 and since then Swan & Edgar has undergone many facelifts and internal remodelling.

Work needed to make the store more profitable would have included installing of escalators, which the group says posed tremendous problems within the triangular building and reduced the 75,000 sq ft selling area.

The name of the would-be purchaser and the selling price are not disclosed until completion of the deal. The group would not say how long the existing lease has to run.

About 250 people are employed in the store and a spokesman said last night that efforts would be made to find them jobs within Debenhams.

The freehold of the site is held by the Crown Commissioners, who own large tracts of land in Piccadilly and Regent Street. The area is subject to a number of ambitious redevelopment plans aimed at cleaning up Piccadilly and improving its tarnished image.



Canteen democracy: Lord Sieff helping himself in the canteen of Marks and Spencer's branch at Fargate, Sheffield, in line with his view that management and workers should enjoy the same level of facilities.

How St Michael won high street war

By Derek Harris

Lord Sieff, chairman of Marks and Spencer, which this week announced sharply increased profits, could well prove to be Britain's most successful retailer in 1981.

The emphasis on buying with a range of suppliers, where the Marks and Spencer policy of buying 90 per cent British brought a useful pay-off.

The company has had links with a range of suppliers for many years, taking in some cases a large part of a supplier's total production. As a result, suppliers have been encouraged to invest heavily in the latest equipment. Having British suppliers means a short supply chain with more flexibility in changing the ranges of goods.

That meant a switch to the budget and medium ranges could be made more quickly. The result over the past year was a jump in sales volumes of about 7 per cent in the clothing sector despite desperate competition from all areas of the

price range and luxury items. In recent years, the company has become more fashion-conscious, although it has never aimed at the high-fashion market of the boutiques.

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That meant a switch to the budget and medium ranges could be made more quickly. The result over the past year was a jump in sales volumes of about 7 per cent in the clothing sector despite desperate competition from all areas of the

high street. Lord Sieff may have dropped some of the frills on the clothing in his stores but the strategy of going for classic value had paid off.

Other retailers have always admired how Marks and Spencer has succeeded in the food business by selling on quality rather than price. In the past year the company's food prices have risen by 5 per cent, but the company's volume sales in food have risen by about 12 per cent.

All this goes much for the retailing acumen of Lord Sieff, who has shown in other ways how caring is part of his approach to life. A high priority with him has always been the quality of training and management.

Lord Sieff, chairman of Marks and Spencer since 1972, is the third member of his family to head the company. He is presiding over a continued expansion, with £300m in new store investment due to be spent over the next four years.

QC tells of ruses to get lethal drugs

From Ronald Kershaw, Middlesbrough

A surgeon gave his wife double the normal dose of a dangerous drug after he and his mistress had launched a "determined, skilful and successful enterprise to kill her."

Mr Harry O'Neill, QC, for the prosecution, said that Paul Vickers, the surgeon, had conspired with a professional friend in an effort to shed light on his wife's illness while issuing prescriptions for the drug over and over again.

Vickers, aged 47, consultant orthopaedic surgeon of Moor Crescent, Gosforth, Newcastle-upon-Tyne, and Miss Pamela Collison, aged 34, research assistant of New Barnet, Hertfordshire, both deny murdering

Mr Vickers' wife Margaret, aged 43, on June 14, 1979.

Mr O'Neill said medical experts had calculated that the maximum amount of the drug CCNU that could be administered in conventional treatment was between 20 and 30 capsules.

He said Mr Vickers obtained 52 capsules and gave them to his wife. The Crown did not accept that the use of the drug was justified at all.

Mr O'Neill said that Mr Vickers later told police he had issued the prescriptions in various names, scattered over a period of time to fit in with the appropriate safe, accepted dosages.

"In other words, to avoid suspicion or inquiry that would have arisen if all had been in one and the same name."

Mr O'Neill went on to say that Miss Collison had admitted that she had helped Mr Vickers to obtain the capsules and to give them to his wife. The problem, he said, was whether it could cause aplastic anaemia from which Mrs Vickers died. He said Miss Collison had written to Dr Gerald Vaughan, the Medical Director of Health.

The letter ran: "Dear Sir, I wonder if you would be kind as to give me 10 minutes of your valuable time to discuss the activities of a mutual friend, the implications of which are very unpleasant and could possibly damage your career."

The case continues today.

IN BRIEF

Left's challenge beaten

Mr Keith Joseph, Secretary of State for Education and Science, is to approve an application by three Jewish schools to be taken into the maintained sector against the wishes of the Inner London Education Authority (ILEA).

The schools, which would have to pay running costs of about £1m a year, would be taken into the maintained sector against the wishes of the Inner London Education Authority (ILEA).

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Schools set to pose for Joseph

By Diana Goddes

Education Correspondent

Among sensitive questions facing Sir Keith Joseph, Secretary of State for Education and Science, is whether to approve an application by three Jewish schools to be taken into the maintained sector against the wishes of the Inner London Education Authority (ILEA).

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Tax fraud sentence ends ex-waiter's luxury life

By Richard Ford

The luxurious life of William Tchi Hong Young, a waiter who became head of a chain of Chinese restaurants, ended in humiliation yesterday when he was given a two year suspended prison sentence for his part in a £3.5m series of frauds.

Already £1,448,000 of the total owed to both the Inland Revenue and Customs and Excise has been repaid. But Mr Young must return to work at the Richmond Rendezvous chain of restaurants to enable him to repay the rest.

Mr Young, and four of his colleagues, had admitted three charges of conspiring to defraud the Inland Revenue by making false trading and profit and loss accounts, by understating the amount due for income tax and national insurance contributions and to fraudulently avoid payment of value-added tax.

At the Central Criminal Court, Judge McKinnon QC, told Mr Young, aged 52, of Heather Lodge, Chester Avenue, Richmond, Surrey, that he had slipped into a system of fraud.

When customs and revenue officers raided Mr Young's home in 1978 he had lied about the non-payment of VAT.

Mr Derek Spencer QC, for the prosecution, said a Rolls-

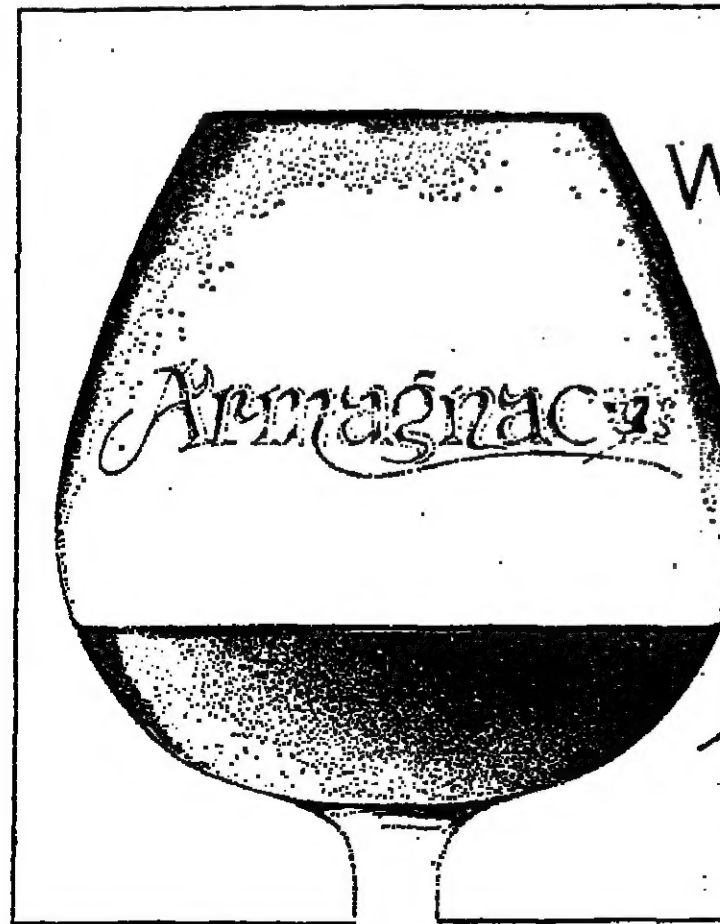
Royce was in the garage. Chinese works of art and paintings were on the wall and £17,000 was under a mattress and in a pillow-case. In a secret room behind display cabinets was a safe containing jewellery valued at approximately £150,000 to £200,000.

There were also documents relating to eight foreign bank accounts. Cheques totalling £1m relating to six of the restaurants were diverted into seven bank accounts.

Mr. Montague Sherbourne, for the defence, said the restaurants could not long survive without Mr Young who had come back from self-imposed exile in Taiwan because he did not want to see others take the blame for him.

"All his assets are now in the hands of the revenue. All he has is the right to run his restaurants to ensure payment of tax. He has put a yoke around his neck and he will wear it for the next five years and maybe longer."

Kwai Cheng, aged 40, of Highfield Road, Isleworth, London; Yuen Chung, aged 53, of West Heath Drive, Golders Green, London; Tsuen Tsien, aged 73, of Arundel Avenue, Sandhurst, Surrey; and Cheuk Wan, aged 34, of Manor Lane, Richmond, were given suspended prison sentences of a year on each of the three charges they admitted.



Why does a restaurant as well known as Mr Garraways serve a brandy as little known as Armagnac

Not the best known, but known by the best.

SEVEN RESTAURANTS UNDER ONE ROOF. AND ANOTHER ABOVE IT.

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Unions will fight new curbs, TUC tells Tebbit

By Paul Roodledge, Labour Editor

Mr Norman Tebbit, the new Secretary of State for Employment, has been privately warned by the TUC that any further legislation on the trade unions will prove disruptive, and union leaders are already drawing up plans to resist any fresh curbs on their powers.

A confidential policy paper prepared for a meeting today of the TUC Employment Policy and Organisation Committee gives details of a warning letter to the minister from Mr Len Murray, TUC general secretary, and sketches out a big new campaign against labour law reform.

In his letter to Mr Tebbit, Mr Murray catalogues the "wide range of serious and damaging consequences for British industry and industrial relations that restrictive legislation of the type the Government is currently contemplating would entail."

He asks Mr Tebbit to give serious attention to the views of the TUC. Mr Murray adds: "To proceed with any such legislation would prove disruptive, and I strongly urge instead that you devote your full attention to tackling the problem that should be your department's - and the Government's - top priority, namely the devastating

level of unemployment now prevailing in this country."

The background paper discloses that as soon as Mr Tebbit comes forward with a consultative document or a Bill to diminish further the powers of the unions, there will be special internal talks "on the form of campaigning activities which can best further the TUC's opposition to the legislation."

The main aims of such a campaign are:

1 To brief trade union officials and activists on the implications of the Government's proposals;

2 To win support from union members, employers, MPs and the public for the approach adopted by Congress;

3 To develop strategies, to resist, as far as possible, the adverse effects on trade union activities of the new legislation when implemented.

Congress House experts on labour law have been set to work preparing draft changes in legislation necessary if a forthcoming Labour government chooses to act in three areas:

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3 To develop strategies, to resist, as far as possible, the adverse effects on trade union activities of the new legislation when implemented.

EXIT man 'dreamt of saving NHS'

By Our Labour Editor

A member of EXIT, the voluntary euthanasia society, dreamt of saving the National Health Service by helping people who wanted to die, the Central Criminal Court was told yesterday.

Mark Lyons was alleged to have told police: "No country can survive an ageing population. The law in this country are so imbecilic. My dream is to have my own healing centre where my hands could help them. Having an aged population, there are too many people to be sustained by the health service. I am boarding pills."

"If you change the law so people who want to die can die, they can look at a book and, hey presto, the health service will be saved."

Mr Lyons, aged 70, who is accused of murder and aiding and abetting suicides, was said to have made his remarks during interviews with police after his arrest.

Mr Lyons, of Fairbairn Gardens, West Hampstead, north London, has denied murdering Mrs Isabella Ward, aged 50, on February 20 last year. Mr Lyons and Nicholas Read, aged 33, of New Cross, London, are charged with the murder of Mrs Ward to commit suicide.

The trial continues today.

Whitehall unions copy the miners

By Our Labour Editor

Union leaders of 530,000 white-collar civil servants are working on a new joint pay claim of the sort that gave rise to the lengthy dispute involving government employees earlier this year.

First steps towards a common pay strategy were taken at a meeting yesterday of the major policy committee of the Council of Civil Service Unions (CCSU), but the final shape of the salary demand will not be known before the end of next month.

Civil Service union leaders are taking a leaf out of the miners' book in delaying their pay initiative until the outlook for the 1981-82 wage round becomes clearer. They do not want to hasten a ruling from the Cabinet that civil servants are bound by the Chancellor's 4 per cent limit on salary rises.

Mr Gerry Gillman, general secretary of the 108,000-member Society of Civil and Public Servants (SCPS), said last night: "The general desire is to achieve a general claim of 50,000, the Home Office said yesterday. The 1979 figure was 509,000."

People found guilty or cautioned for both serious (indictable) offences and summary offences totalled 1,060,000, compared with 995,000 in 1979.

For serious offences, male juveniles aged 14 to 17 received the highest number of convictions per head of population. The next age and sex group was males aged 17 to 21.

Overall, offenders aged under 21 years accounted for 53 per cent of all convictions for serious offences and predominated in robbery, burglary, and criminal damage.

Figures for serious offences recorded by the police, published last March, showed a 1980 total of 2.2 million in England and Wales. The statistics issued yesterday show that 80 per cent were for theft and handling stolen goods. Fifty-six per cent of convictions were for the same offences.

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Independent assessor on police is agreed

From John Chartres, Manchester

The experimental appointment of a civilian community officer to handle complainants made against the police was agreed in principle by the policy committee of Greater Manchester County Council yesterday when it accepted the report of the independent tribunal into last July's Moss Side riots.

The committee's decision will go before the full council later this month, but detailed action on the report's recommendations will have to await a meeting of the police committee next month, and possible publication of the Scarman report on the summer disorders.

Councillor Brian Tellow, the Conservative leader, said the report contained too many criticisms of the police and not enough criticism of those who had allowed the current social conditions and high unemployment to arise in the Moss Side area.

An inquiry was ordered last night into allegations of police harassment during the Toxteth riots (the Press Association reports). Heavy-handed policing and discrimination against black youths, among the claims that will be investigated by the Merseyside Police Committee. Yesterday the committee considered an interim report on the rioting produced by 18 county councillors who interviewed community groups in the area.

The councillors were told of alleged discrimination and racist abuse against young blacks. The police complaints procedure was described as a "farce" and many people were said to fear reprisals.

Mr Peter Wright, the deputy chief constable, is to investigate claims that people who complained were arrested "on the flimsiest of evidence."

A solicitor made an official complaint to the police at Toxteth yesterday, claiming "viral evidence had been 'copied' from the sister of a man injured in the riots (our Liverpool Correspondent writes)."

Mr Robert Brown, a lawyer for Mr Ken Anderson, who is claiming compensation, said Nurse Pearl Merton was deceived into handing over clothes worn by her brother.

A police officer who was hit by a CS gas canister.

Simon Alexander Lee, aged 18, a chemistry student who distributed leaflets headed "Burn Babylon, Burn" three days after the riots in Toxteth, was jailed for three years by Nottingham Crown Court yesterday. (Our Nottingham Correspondent writes).

Miss Jean Wain, a nurse of Goldthorpe Lane, Brimscom, was cleared yesterday by Lambeth magistrates of throwing bricks at police during the Brixton riot in April (the Press Association reports).

A student accused of assaulting police officers during a street rampage, after a fair in Finsbury Park, north London on April, changed his plea on one charge yesterday. Oluwatoyin Otesanya, of Highbury, London, admitted assaulting Sergeant David Rowe with intent to avoid lawful arrest.

A Somerset Crown Court has still denies further charges of causing grievous bodily harm to Police Commander James Dickinson with intent, causing bodily harm to Constable Dickinson, and causing actual bodily harm to Chief Supt Patrick Carson, and the hearing continues today.

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Legacy of a recluse nation

A spectacular Sumo wrestling hold captured in eighteenth century ivory is one of a unique collection of Japanese art works which goes on show at the Royal Academy, Piccadilly, on Saturday.

The Great Japan exhibition, which is expected to attract record crowds, brings together for the first time more than 400 works of the Edo period of 1600 to 1868, when Japan virtually shut herself

off from the outside world. The exhibits, including embroidered kimonos, silk prints, armour and ceramics, are housed in specially-built glass cases.

Many are so delicate that they can go on show for only 50 days at a time and will be changed for other exhibits half way through the exhibition. The exhibition runs until February 21. (Photograph by Brian Harris).

Junor article referred to Attorney General

An article by Sir John Junor, editor of the *Sunday Express*, was referred yesterday to the Attorney General after being severely criticised by the judge in the Down's syndrome baby murder trial.

The move came after a complaint on Monday by Mr George Carman, QC, defending Dr Leonard Arthur, aged 65, a consultant paediatrician. Dr Arthur, of Church Broughton, Derbyshire, has pleaded not guilty to the murder last July of John Pearson, aged three days, at Derby City Hospital.

Mr Andrew Collins, representing Sir Michael Havers QC, the Attorney General, and Mr Geoffrey Shaw, for Express Newspapers, attended Leicester Crown Court yesterday. After the legal discussions, Mr Justice Farquharson told the jury that last week counsel for Dr Arthur had drawn his attention to an article in a national newspaper.

Mr Justice Farquharson said he had decided to remit that matter to the Attorney General.

He said this, although he had said no other such article should be published during the trial, the *Sunday Express* had published an article dealing speci-

The judge said he was initially tempted to proceed in a summary fashion against the owners of the *Sunday Express*, but that he had been pressed by Mr Collins not to do so. Despite his reservations, he would therefore remit the matter to the Attorney General.

Nevertheless, if another similar article was published he would act on the spot against the writer and the directors of the publishing company.

Mr Douglas Draycott, QC, who is leading for the Crown, has alleged that John Pearson was given the drug DF113 which suppressed his appetite and impaired his breathing. Counsel said that course of treatment was designed to cause the death of the baby after he had been rejected by his parents.

Mr Patrick Towland, a consultant biochemist, said he had seen a report of an analysis of the baby's blood.

The blood level of dihydrocodeine amounted to 7.4 micrograms a millilitre. A report on the liver showed 4.3 micrograms a gram.

The hearing continues today, finally with, and identifying, the case.

BROADMOOR GETS A NEW CHIEF

By Lucy Hodges

Dr Edgar Udwin has been named as the new medical Superintendent for Broadmoor top security hospital.

Dr Udwin, who will hold the post for 18 months until he retires at 65, is an unexpected choice, partly because of his age.

He has aroused controversy on the past over his decisions to recommend the release of six patients who later committed serious crimes.

The most notorious was Graham Young, who was poisoning people again within four months of his release in 1971. He was then jailed for life for murdering two men and attempting to poison others.

Dr Udwin, who has been a consultant at Broadmoor since 1962.

POET JOINS MUSEUM PROTEST

By Our Planning Reporter

Mr Norman St John-Stevens, MP, the Duke of Norfolk, Lord Weidenfeld and Sir John Beresford are among the six

natories to a new letter protesting at the proposed demolition and rebuilding of part of the Natural History Museum.

The letter, sent yesterday to the museum's trustees, calls for the abandonment of "this controversial and destructive policy on the grounds of economy, discrimination and good sense."

Approval for the rebuilding was granted by Mr Michael Heseltine, Secretary of State for the Environment, after a public inquiry in 1979.

The letter to the trustees points out that opposition to the rebuilding has been expressed by conservationists, architects, scientists and historians.

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National Savings

Bulgaria backs Greek plan for atom free zone

From Mario Modiano, Athens, Oct 20

Bulgaria reacted positively today to a proposal for the creation of a nuclear-free zone in the Balkans, put forward by Mr. Andreas Papandreu, the Greek Socialist leader, who takes over as Prime Minister tomorrow.

President Todor Zhivkov, speaking during celebrations to mark the 1,300th anniversary of the founding of the Bulgarian state, offered to host a Balkan summit in Sofia next year to discuss the establishment of a zone free of nuclear weapons in this area.

Although the proposal is not new, Mr. Papandreu announced during his recent electoral campaign that, if elected, he would ask for the immediate removal of all nuclear warheads stored in Greece.

He had told journalists that there were only tactical nuclear arms in Greece, but this would be a symbolic action. It will be a challenge to our Balkan friends to do the same," he said. "It would be a tremendous success for Greece if, within six months, we can set up a nuclear-free zone in the Balkans."

After his spectacular election success Mr. Papandreu reiterated in a television interview his intention to have removed all nuclear warheads stockpiled in Greece, although he would not press for the immediate closure of the American bases in the country.

President Zhivkov's offer is significant because Bulgaria is the only communist country in

the Balkans that may have stored Soviet nuclear weapons. The idea of a nuclear-free zone had evoked much scepticism in Greece in the past considering that the Balkans would still lie within the range of the Soviet Union's nuclear arsenal.

Decisions on this and other crucial issues for Greece will be taken as soon as Mr. Papandreu forms his new Government, which is to be sworn in tomorrow.

The Socialist leader submitted the list to President Karamanlis, who gave him the mandate to form a new Government, after the victory of his Panhellenic Socialist Movement (Pasok).

Earlier Mr. George Fallis, the outgoing Prime Minister, called on the President to hand in his Government's resignation. Mr. Papandreu's list of ministers was not disclosed, but in view of his big majority in the election, he was not expected to bring in any Communists, in the fashion of the French Socialists.

The first reaction to the election results from what both Pasok and the Communists call the "economic oligarchy," came today when the Association of Greek Industries asked the Government to define the boundaries of the proposed extension of the public sector, of state interventionism and proposed entrepreneurial experiments.

The first woman heart swop patient dies

Cape Town, Oct 20—The first woman in the world to receive a transplanted heart collapsed and died in Cape Town yesterday. Mrs Dorothy Fischer, aged 50, received the heart in April, 1979.

The operation, the fifth of its kind in South Africa, was carried out in Cape Town's Grote Schuur Hospital by Dr. Christian Barnard, the heart transplant pioneer. The cause of her death was not immediately announced.

Apartheid issue: Mrs Fischer was a remarkable patient for a number of reasons (Pearce Wright writes). She was the first Coloured person in South Africa to receive a new heart from Dr. Barnard. Although the heart of a non-white person was used, thus fitting the apartheid model even in this sphere of life, there was considerable controversy about the procedure at the time.

Mrs Fischer was also one of the earlier transplant recipients. Dr. Barnard made the first operation in December, 1967, and began the transplant vogue. Within a year 64 surgical teams in 22 countries carried out 100 transplants. However, the majority of the patients died within a few months at most.

With hindsight, heart surgeons have a clearer idea of how to select suitable individuals for transplant from their patients and how to monitor the post-operative conditions for early tell-tale signs of trouble.



The scene in Hovenierstraat, Antwerp, after yesterday's car-bomb explosion.

Bomb blasts synagogue in Antwerp

From Ian Murray, Brussels, Oct 20

Two people died and about a hundred others were injured, some critically, when a huge car-bomb exploded outside a synagogue in the diamond-trading quarter of Antwerp at rush hour this morning.

Police described the outrage as "racist". Had the bomb exploded only 25 minutes later, the synagogue would have been packed with Jews attending the service for the Succoth, the last day of the Jewish festive season.

The explosives, packed into a light-coloured delivery van,

were so powerful that the vehicle was flung into the air as high as the third floor of the adjacent building. Shopfronts and windows over a wide area were smashed and even the main Antwerp railway station, a couple of hundred yards away, was damaged.

In July of last year a 15-year-old boy was killed and seven other children were injured when a grenade was flung into a group of Jewish schoolchildren boarding a bus in Antwerp. Two Palestinians were arrested for that attack.

On this occasion the Israeli Embassy in Belgium issued a statement condemning the "blind Palestinian terrorists who strike at Jews wherever they are".

The Palestine Liberation Organization office in Brussels, however, was quick to issue a statement condemning the attack and denying any responsibility in what had happened.

Of the 10,000 or so who work in the diamond trade in Antwerp about 70 per cent are Jewish.

Socialist congress boycott

Spanish party divided within sight of power

From Harry Debelius, Madrid, Oct 20

There will be much harmony when the comrades gather to sing the "Internationale" at the twenty-ninth congress of the Spanish Socialist Workers' Party, beginning here tomorrow, but only because those who might strike a sour note have decided not to let their voices be heard.

With the prospects of the Socialists being voted into office looking better than ever, the party, headed by Señor Felipe Gonzalez, has failed to resolve the internal dispute between its left wing, made up mostly of old members and theoretical purists, and its leadership, which has softened the Marxist message to build up a membership big enough to win an election.

Referring to the twenty-eighth congress as "an extraordinarily traumatic experience in the life of the party", Señor Gonzalez said that the decision of the Left Socialist group to boycott this year's gathering was "regrettable, more in view of the quality of its members than their numerical strength".

The party, which got 30 per cent of the vote in the last national elections, now stood a good chance of winning a working majority, "but it all depends on how cleverly the right behaves". He ruled out the possibility of taking part in a popular front. Such a solution was impossible in Spain today.

This time there is not likely to be any public row such as

there was at the previous congress, when Señor Gonzalez resigned as secretary-general. He left the party without a leader until the delegates reassembled a few months later to re-elect him, with the party rebels reduced to a silent and somewhat humbled minority.

The hard-core of the left will not be present this time. Those most identified with such positions have all announced that they will not attend the congress.

Under the theme "Roots for Democracy" 799 delegates will consider during the four-day congress a series of propositions designed to reinforce the democratic system.

□ Polling took place today for Galicia's first regional parliament, and in the south Andalusians were taking part in a referendum on a home-rule statute.

By the evening, according to unofficial estimates, 28 per cent of the Galician voters had cast their ballots.

The 71-member parliament in Galicia is expected to be dominated by three Madrid-based parties, the Centre Democratic Union, the Spanish Socialist Workers' Party, and the Popular Alliance.

In Andalusia, there were few crowded polling places. By mid-afternoon, according to government offices of the region, voter response ranged from 17 per cent in Almeria to 33 per cent in Cordoba.

French approve law to nationalize banks

From Jonathan Fenby, Paris, Oct 20

The French National Assembly has approved legislation to nationalize most of the country's private banks in the latest step of a marathon debate on the extension of state ownership.

Socialist and Communist deputies broke into applause last night as the main article of the Nationalization Bill dealing with it was adopted by 333 votes to 153.

The measure, affecting 36 private banks, is still dependent on the Nationalization Bill as a whole being passed, but there is no doubt about this in view of the left-wing majority in the Assembly.

The private banks represent only about a quarter of the French banking sector since the big institutions were nationalized by General de Gaulle's Government in 1945, but they hold a sinister place in Socialist and Communist political mythology, dating back to the undermining of pre-war left-wing governments by "the wall of money".

Apart from being an article

of faith, nationalization of all but the smallest banks is seen by President Mitterrand's administration as an integral part of its programme to boost the French economy. Under state control, so the reasoning goes, the banking system will act more forcefully to help industry to expand and to cut unemployment.

Private bankers predict that exactly the opposite will happen and that the initiative and effectiveness of their firms will be reduced.

When they have to admit defeat in the Assembly, opponents of nationalization are planning to turn to the law courts and to France's Constitutional Council. M. Jean-Maxime Leveque, the head of one of the banks concerned, insisted today that the article approved yesterday was "unconstitutional".

□ France has signed a 4,400m franc (about £440m) contract to supply Iraq with artillery, the first of a number of arms deals being negotiated between Paris and Baghdad, sources in Paris said.

Astles says he never shot anyone

From Our Correspondent

Nairobi, Oct 20

Mr Bob Astles, the British-born aide to former President Amin who is accused of murder, gave evidence in the witness box in the Uganda High Court in Kampala today. He denied that he killed a fisherman on Lake Victoria in 1977 when he was directing an anti-corruption operation for Amin.

Describing his career in Uganda, which began as a road engineer in 1952 and later brought him into close contact with President Milton Obote (in his first term as President in the 1960s) and with Amin, he said he at no time carried weapons or shot anyone.

At the time of the alleged murder, he was running a hotel-resort complex at Gaba, near Kampala, on the instructions of Amin.

Mr Philip Wilkinson, QC, the defence counsel, told the judge there must be serious doubt about the case of death of the fisherman, Henry Musisi.

Some prosecution witnesses had suggested that he was killed by Ugandan soldiers who were in the area at the time of his death. Mr Astles was not in the area at the time, he submitted.

Mr George Emsu, the principal state attorney, submitted that there was enough evidence to convict Mr Astles.

Addressing the two law assessors, who will later give their opinion, Mr Justice Manyindo said they must consider the question of the reliability of the witnesses. The hearing was adjourned until tomorrow.

AUSTRALIA BUYS 75 FIGHTERS

From Our Correspondent

Melbourne, Oct 20

The Australian Government has decided to spend about \$A2,500m (£1,562m) on 75 F18 Hornet aircraft for the Royal Australian Air Force.

The Hornets, to be used as front-line tactical fighter aircraft, will be the most expensive purchase ever made by the Defence Department.

This brings to an end a search lasting nearly 10 years for a suitable replacement for the 17-year-old French Mirages.

The Defence Department recommended to the Cabinet the purchase of the McDonnell Douglas F18 instead of the General Dynamics F16 Falcon although the Hornet deal is believed to cost almost \$A200m more.

General Dynamics have fought a fierce public relations war costing thousands of dollars over the past 12 months.

The F18 is a twin-engined attack fighter being developed for the United States Navy. It has not seen squadron service and there is still much controversy in the United States over its eventual cost.

□ Wellington: New Zealand will purchase two used Leander class frigates from Britain for £100m. Mr David Thomson, the Minister of Defence, said tonight (W. P. Reeves writes).

The ships Dido and Bacchante are to replace the frigates Orango and Taranaki and join the Waikato and the Canterbury ships of a similar class.

The Dido will be released by the Royal Navy in 1983. The Bacchante will sail to New Zealand late next year and undergo a refit.

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From Now I Laker means business

Queen's informality was key to tour success

From W. P. Reeves, Wellington, Oct 20

The Queen and the Duke of Edinburgh ended their eight-day visit to New Zealand today when they flew from Auckland bound for Sri Lanka. The visit had been relatively low key with fewer flags and smaller crowds than on the previous five visits.

None of this reflects a declining affection for the Crown, merely that Royalty has become more identifiable with ordinary society. The informality of the visit and the Queen's easy grace during walkabouts fashioned an intimacy perhaps missing before.

In her few formal speeches she emphasized the nation's multiracial quality and spoke of

the rewards of a blending of cultures. Anxiety that the visit might have been marred by the divisions created by the Springbok rugby tour proved unfounded.

Mr Robert Muldoon, the Prime Minister, was prominent in the company of the royal couple. However, opponents' fears that the Government would seek political advantage to enhance his party's chances in next month's general election seem without foundation.

The tour was kept scrupulously free of party politics, and in her only reference to the election the Queen, during a state luncheon, emphasized her non-involvement.



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Diplomatic status given to PLO office in Moscow

Moscow, Oct 20.—The Soviet Union today announced that it was upgrading the Moscow office of the Palestine Liberation Organisation (PLO) to full diplomatic status.

President Brezhnev personally informed Mr. Yasser Arafat, the PLO leader, of the move at a meeting in the Kremlin today, Tass reported. Hitherto, the PLO office has been accredited not with the Foreign Ministry, but with the semi-official Afro-Asian Solidarity Committee.

Mr. Arafat arrived here yesterday, Tass said his meeting with Mr. Brezhnev was warm and friendly. They agreed that the present tension in the Middle East was caused by the United States and Israel.

Mr. Brezhnev said the Soviet Union would continue to give full support to the Palestinian cause, and praised the role of the PLO as the "sole legitimate representative of the Palestinian people".

Mr. Arafat gave his support to the Soviet proposal for a new Middle East peace conference, for which Moscow has been trying to win support in the Arab world.

Diplomats here said the granting of full diplomatic status to the PLO mission appeared to have a largely symbolic value and would not make much difference to contacts between the PLO and the Soviet leadership.

Beirut.—A PLO spokesman said here that the granting of diplomatic status indicated the support by "the friendly Soviet Union for the Palestinian people and their just struggle for self-determination and the

establishment of an independent Palestinian state".

PLO sources said that Romania and Bulgaria had already given diplomatic status to the PLO.

Apart from the Arab states, other countries to have done so were Austria, Congo, Cuba, Cyprus, India, Iran, Kenya, Malaysia, Pakistan, Senegal, Sri Lanka and Tanzania.

New York.—President Mubarak of Egypt, said in an interview published in The New York Times today that he had asked the Reagan Administration to speed up the delivery of military equipment.

Mr. Mubarak also said that he would depart from the policy of the late President Sadat and never criticise other Arab states.

"We are not going to answer or react," he said. "I am going to tell the press today not to attack any of our Arab friends here, even Libya."

Mr. Mubarak reiterated that he would continue the peace process with Israel, but he could not predict whether there would be reconciliation with other Arab governments.

Washington.—The State Department today welcomed President Mitterrand's reported offer of French participation in a multi-national force to police Egypt's Sinai peninsula after Israeli withdrawal.

According to the Washington Post, Mr. Mitterrand's offer was made in an interview with American journalists in Virginia, where he met President Reagan yesterday. A State Department spokesman, without specifically confirming the offer, told a press briefing: "We warmly welcome and deeply appreciate President Mitterrand's positive attitude."—Reuters.

US tries to defuse Reagan's remarks

From Nicholas Hirst Washington, Oct 20

The United States Administration today tried to defuse the uproar caused by President Reagan's remarks about the possibility of a limited nuclear war in Europe. At the same time it dismissed the senior White House military adviser for making an unauthorized anti-Soviet speech.

In his remarks to a group of regional editors on Friday, which went almost unrecorded here until today as angry reactions were reported from Europe, President Reagan said: "I could see where you could have the exchange of tactical weapons against troops in the field without it bringing either one of the major powers to pushing the button."

At the White House today President Reagan disavowed the remarks of Major-General Robert Schweitzer, his military national security adviser, that there was "a drift towards war" with the Soviet Union.

Major-General Schweitzer, whose speech yesterday to the Association of the United States Army, was his personal assessment and had not been cleared by the Administration, is being moved from his post to the Defence Department.

Asked at a photograph session in the Oval Office if he agreed with Major-General Schweitzer's assessment, President Reagan replied: "No, I think this country could have been on a sound that could be described that way while we are unwillingly disarming and had a widening window of vulnerability and a narrowing margin of safety."

He said he thought the United States had reversed that. President Reagan recently announced sweeping proposals to upgrade its strategic nuclear forces on land, sea and air.

The State Department, in explaining the President's remarks on limited nuclear war, said these were fully consistent with NATO's strategy of deterring any use of force by the Warsaw Pact.

But they come at a particularly sensitive time. The American decision to start production of the neutron warhead, a tactical weapon which could be deployed in Europe, and its desire to develop cruise missiles in Europe, has created strong anti-American feeling, particularly in West Germany.

Talks with the Soviet Union on the subject of "theatre forces" in Europe are to begin in Geneva on November 26.

Major-General Schweitzer said that the Russians have every incentive and capability to start a war. This could serve to heighten European fears.

A State Department spokesman said today there had been no change in American policy.

American defence experts believe a nuclear war in Europe would involve the deployment of the neutron warhead to stop the superior Soviet nuclear force.

But he stopped short of issuing an ultimatum, adding cautiously: "If there is obviously no agreement or no agreement, we will have to give Canadians what they want, a charter (of rights) in the Canadian constitution."

IN BRIEF

Five escape to West by kayak

Copenhagen.—Five East German babies, arrived soaked and exhausted in Denmark after a 14-hour crossing of the Baltic in two small kayaks joined by a rope and propelled by a hand-held outboard motor.

One kayak sank three miles off the Danish coast, but its occupants survived by holding on to the other craft.

Presley's drugs
Memphis.—A dozen drugs, all sedatives and painkillers, were found in Elvis Presley's body after death, a toxicologist said in evidence at the trial of Dr George Nichopoulos, the entertainer's personal doctor, who is charged with overprescribing.

Priests released
Rio de Janeiro.—Father Paul McCarthy, an Irishman, was among five priests released after being held for 24 hours in northern Brazil for refusing to celebrate Mass on the orders of federal police agents.

Crumbling Sphinx
Cairo.—The Great Sphinx of Giza, which is more than 4,500 years old, is feeling its age. A hole 10ft by 6ft has appeared in the left paw of the massive stone statue. Al-Ahram reported.

Rail crash deaths
Barcelona.—Three people died and 17 were injured when a passenger train was derailed by a rock fall and hit a tunnel entrance.

Guatemala toll rises
Guatemala City.—Thirty-seven bodies, many riddled with bullets and showing signs of torture, were found in Guatemala, among them five soldiers whose car plunged down a ravine in undisclosed circumstances.

Oman 'Parliament'
Muscat.—Sultan Qaboos bin Said of Oman has issued a decree setting up a State Advisory Council of 45 nominated members. It will meet four times a year. The members, 17 of whom are Government officials, will serve two-year terms.



Salisbury nurses and teachers arrested

From Stephen Taylor, Salisbury, Oct 20

Zimbabwe police today broke up demonstrations by striking teachers and nurses in Salisbury. They arrested 250 people under recently granted law-and-order regulations.

Those detained were later released without being charged. But the Government later warned them in a statement that they would be charged with contempt if they contravened the measures introduced last week to reduce an upsurge in political rallies. Police have been instructed to arrest and charge anyone taking part in further demonstrations.

The Government's decision to use regulations, designed to cover political activity, to deal with labour disputes marks a tough new response to a wave of industrial unrest.

The nurses and primary schoolteachers, who were striking over pay, gathered today outside the Ministries of Health and Education. In coordinated operations police took them to Southern police station.

The remaining teachers followed to demonstrate outside whatever the police did with their colleagues and were joined in the afternoon by secondary school teachers coming off duty.

EEC move for a bigger say in defence policy

From Ian Murray, Brussels, Oct 20

The European Commission is to propose a new initiative to redefine Europe's relationship with the United States. That emerged from two speeches today, one by Mr Gaston Thorn, the Commission President, in the European Parliament, and the other by Mr Christopher Tugendhat, a senior Vice-President, in Bonn.

Mr Thorn looked at the "suspicion and mistrust" between Europe and the United States, and said that the United States was being seduced by the siren song of neutralism while Europeans think they see a new form of isolationism arising in America.

The Americans appear to be so intent on the East-West conflict that they tend not to see any other aspect of the problem.

His comments came as the West German peace movement reacted to President Reagan's remark that he could envisage a nuclear tactical weapon war in Europe without the superpowers necessarily being involved.

Mr Thorn said the solution to the malaise was to ensure that the European pillar of what President Kennedy had called "Two — pillar partnership" of the Atlantic was strengthened.

Europe does not always speak with one voice, he said, but in many cases it is difficult for the United States to seek Europe's opinion because it does not know who to ask.

By pressing forward with its ideas of political co-operation up to the point of convergence, the Commission believes it will be able to relieve the United States of the pressures it feels from being the dominant member of the Atlantic Alliance.

Mr Tugendhat went considerably further in again making clear his commitment to the creation of a common European defence policy. There were good reasons why European countries should begin to discuss security issues together.

Arms control had a particular European dimension because of the special situation of the West European countries, he said. The Soviet Union, domestic pressures, such as the West German peace movement, were not shared "on the other side of the Atlantic".

Some defence problems, such as the proper balance between military capability and arms control, the need for more cost-effective use of defence resources and questions concerning the deployment of particular types of weapon, touch all the peoples of Europe very directly.

"War, it was once said, is too important to be left to generals. By the same token, matters relating to the prevention of war are too important to be excluded from the European Community."

Greater European coordination in designing and building defence equipment made economic and military sense.

'Censorship' fear in bridge world British captain barred for remarks in novel

By David Spanier

The refusal of the executive committee of the World Bridge Federation (WBF) to accept Mr Terence Reese as non-playing captain of the British team in the world championship, which opened in Port Chester, New York, yesterday, is being construed in bridge circles as a new threat to that of censorship.

It now appears that one of the reasons the credentials committee, chaired by Senator Jaime Germain, a member of the famous Bolivian family whose fortune was founded on tin, declared Mr Reese unacceptable was because in a novel he had written, he had "portrayed the tournament bridge world in a damaging light".

It may be that the sexual scenes in Trick 13 were a little over-explicit, Mr Jeremy Flint, the co-author, said yesterday, "but surely that has nothing to do with it."

"It was a murder story set in the bridge world of the 1930s. Even if the villains acted like villains, the story did not claim that all bridge officials behaved disgracefully or that all players were corrupt. If tournament bridge players are not allowed to write fiction, what are we coming to?"

Mr Flint, who is Bridge Correspondent of The Times, added that to object to the book now seemed highly illogical, when he had taken part in the last year's Bridge Olympiad without any objection, a year after the book was published.

In fact, other books about international bridge, portraying players in a far more lurid light, he said, by drugs, widespread use of bribes, quite apart from cheating and sexual excesses.

Whatever the literary merits of his case, most bridge players would probably impute Mr Germain as a non-playing captain to causes rather closer to the game.

Although by common consent the outstanding bridge player of his generation, Mr Reese has never courted popularity and has in fact been an outspoken critic of some of the innovations proposed by the WBF, notably the use of screens and alert procedures.

In international bridge, screens are placed across the table to prevent the players from seeing their partner's cards. Mr Reese believes that screens dehumanize the game.

Whenever a player makes a conventional bid his partner is supposed to tap the table or wave a blue card marked "A" in large letters to tell the players are always entitled to ask their opponents whether a bid is natural or conventional. Mr Reese considers the new rule to be more distracting than helpful.

His strictures, in many players' view, have been offensive to a leg break bowler criticizing the law-laws.

The only good thing about the whole affair is that the bridge authorities have made clear that the present difference of opinion has nothing to do with the accusations of cheating made against Mr Reese in 1965, which were subsequently shown to be completely false.

Bermuda Bowl: Great Britain begins its programme in the Bermuda Bowl bridge championship with matches against two of the most strongly favoured teams (Harold Franklin writes from Port Chester, New York). In round one, the British team, led by a match against the United States, which has been given centre court status.

The ladies' team, after a bye in the first round, meets Brazil in the second round and should not be unduly alarmed by a match against the United States, which has been given centre court status.

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Police use tear gas on crowd of 5,000 in Polish steel town

Warsaw, Oct 20.—Police using tear gas cleared a crowd of 5,000 in the steel town of Katowice today. Police restored order after the crowd began shouting the police station and a police van was overturned.

Disturbances occurred when police confiscated anti-Soviet and anti-state leaflets being handed out by members of the Solidarity independent union movement, the state television said.

Hard-line communist students in the town occupied party headquarters at a steel mill and took over a radio station to broadcast demands for the resignation of local party officials, Solidarity said.

In Zyrardow, outside Warsaw, 12,000 textile workers, mainly women, continued an eight-day strike in protest at inadequate food supplies.

Solidarity directive: Leaders of Solidarity today told all branches not to take unjustified protest action. The call was in response to an appeal by the Central Committee of the Communist Party (Dessa Trevisan writes).

But with almost half the country in a state of strike readiness and with a critical and worsening shortage of supplies in the shops, the union leadership reiterated a warning against the declared intention of the Government to seek parliamentary approval to suspend the Solidarity prerogatives.

The Solidarity prerogatives would have no effect. While the union was ready to join efforts to tackle the economic crisis it rejected renegotiation of the three basic agreements signed 14 months ago to which the Government was committed.

Strikes were incompatible with those accords. The union leaders have taken a flexible and moderate stand in the face of fierce attacks on Solidarity extremism by the Central Committee last week.

The Central Committee's appeal against strikes in a nation "on the brink of economic breakdown" was echoed yesterday by Mr Stefan Olaszowski, a member of the Politburo. He accused the union leaders of totally disregarding Poland's economic difficulties and said "Constitutional prerogatives" would have to be resorted to for the defence of the country's vital interests.

The urgency of resolving the crisis is only too evident in Poland. Industrial production continues to slump and is already down 14 per cent on last year. Wages are 30 per cent and inflation is rampant.

Social tension caused by the difficulties of getting essential day-to-day goods continues and general strikes are threatened in several regions unless there is an improvement in the situation.

Practicalities: everything rationed: meat, butter, flour, alcohol, cigarettes, soap and soap. Industrial production from furniture to television sets, winter coats to boots, are also all scarce. For example, zlotys in someone's pocket there are only 750 zlotys worth of goods in the shop.

No one wants money, and goods are increasingly replacing currency.

The Central Committee has set out its priorities: supplying agriculture with enough coal and electricity. But coal production is continuing to fall and the vicious circle goes on.

Urgent solutions are needed with winter approaching and with the private farmers' livestock deliveries to the state declining.

Iran offers Amnesty visit, with strings

Hojatoleslam Hosain Musavi, the Iranian revolutionary prosecutor, said yesterday that the London-based human rights group Amnesty International can visit Iran's prisons where 1,800 people have been executed in the past four months.

But he demanded that Amnesty should first condemn the crimes of the radical Mojahedin-Khalq movement and tell the world that Mujahedin members are terrorists. According to Tehran radio, he also urged Amnesty to denounce the "crimes of the United States, Israel and Iraqi Governments" for their treatment of prisoners. This, he said, would facilitate an Amnesty visit to Iran.

Hojatoleslam Musavi said that Amnesty had failed to visit prisons in the United States, Israel, Iraq, Britain and Egypt.

Earlier this month Amnesty appealed to Iran to end mass executions and asked Mr Muhammad Reza Mahdavi-Kani, the outgoing Prime Minister, to receive a delegation. But two days ago Ayatollah Khomeini, the "Leader of the Revolution", said that such a visit to Iran would result only in a condemnation of Iran and Islam.

Amnesty says that more than 3,350 people have been executed in Iran since the 1979 Islamic revolution. But Hojatoleslam Musavi said yesterday there had been fewer executions than assassinations, and 50 per cent of the persons of left-wing groups had been executed since former President Bani-Sadr was ousted last June.

Ninety per cent of jailed political activists had repented and hundreds of prisoners who had denounced their political parties had been released at the weekend, he added.

He said the Islamic authorities had set up rehabilitation centres to reform those who had repented and promised that prisoners would be allowed visits from their families at least once a month.

Mr Bani-Sadr, now living in exile in Paris, attacked Ayatollah Khomeini yesterday for his criticism of Amnesty and said he had resorted to executing dissidents to make up for his incompetence in running the country.

He described his former mentor as a "traitor to Islam and Iran, and used clericalism and the armed forces to voice the protest against the Islamic Government's violent campaign against Leftists."

Mr Bani-Sadr's statement, which was telephoned to Reuters, also called on fundamentalist Revolutionary Guards who carry out the "executions" to join a mass movement to overthrow Ayatollah Khomeini.

Tehran newspapers reported today that 12 landlords who had let their houses to Mujahedin members had been evicted from their properties. The houses had been handed over to "depraved people" in the southern city of Shiraz.—Reuters.

Leading article, page 7

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Public pressure on Thatcher to back aid summit

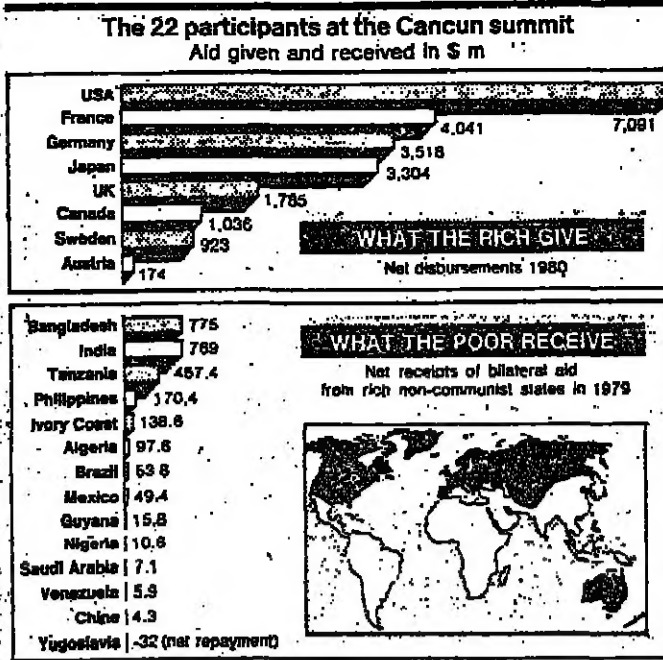
By David Cross

Mrs Margaret Thatcher, and Lord Carrington, the Foreign Secretary, are due to leave London today for Mexico to attend the Cancun summit. Mrs Thatcher is expected to be under considerable public pressure to back the summit, which will be the first of its kind since the end of the Second World War. The summit will be held in Cancun, Mexico, on October 22 and 23. It will be the first time that the 22 participants at the summit will be from both rich and poor countries. The summit will be held in Cancun, Mexico, on October 22 and 23. It will be the first time that the 22 participants at the summit will be from both rich and poor countries. The summit will be held in Cancun, Mexico, on October 22 and 23. It will be the first time that the 22 participants at the summit will be from both rich and poor countries.

Why the rich must reassess the price of poverty

From Melvyn Westlake, Cancun, Oct 20

Overhanging the summit meeting of 22 leaders from rich and poor countries, to be held tomorrow and Friday in Cancun, Mexico, will be the question of money. Many other important questions—food, energy, the restructuring of the world economy—will be tackled at the summit, but in most cases, if real progress is to be made, it will involve an increase in the flow of finance to the Third World. This does not mean only foreign aid, but private foreign investment and commercial bank loans as well. Last year's report by the Brandt Commission, which first suggested a summit between leaders of the world's rich and poor nations, called for a large-scale transfer of resources to developing countries as part of a four-point emergency programme for the early 1980s. The elements in the programme were an international energy strategy, a global food plan, and reforms in the international economic system. The central plank was, however, a big increase in financial flows to the poor. The report urged doubling of aid from the rich non-communist countries, as well as more financial help from East Europe, Middle East oil exporters and international agencies. The report also called for much higher flows of finance to the Third World from the private sector. Increases in aid of the order suggested by the Brandt report look most unlikely. Aid budgets are being squeezed in some countries, notably



have soared during the past 18 months. A number of proposals have been made for increasing the total flow of finance to developing countries. It is generally accepted that aid must increasingly be directed to the poorest nations. At present less than a fifth of all aid from the rich non-communist nations goes to the 31 most hard-up, developing countries—the poorest of the poor. But if more aid goes to the poorest, it will mean that the better-off developing countries will have to depend more heavily on private capital. One proposal which would help this process would involve the

rich countries in subsidizing interest rates on commercial loans. The intention is that this should lead to a substantial overall increase in the flow of private capital to the Third World as more developing nations could afford to borrow in this way. Another suggestion is that the rich countries should provide guarantees that the banks will get their money back if they lend to the poorer, normally less credit-worthy, countries of the South. Such schemes have run into many objections from the Treasuries in the rich nations. There is rather wider approval for the proposal to

High Gas flows could herald US earthquake

From Ivor Davis, Los Angeles, Oct 20

The threat of a big earthquake that Californians live with daily could be just around the corner. Excessive radon gas, considered a precursor to an impending earthquake, has been found in a 500-mile stretch from San Francisco to the Mexican border. Scientists at the California Institute of Technology, in Pasadena have reported above average flows of the gas in two test wells 60 miles east and 90 miles north of Los Angeles. But Mr Chi-Yu King, a geological survey geophysicist, in Menlo Park, California, said similar high gases have been measured at 95 testing stations throughout the state. The survey has been following the growth of the gas that is emitted from the decay of uranium in underground rocks. Mr King said the reason the public had not been told about excessive gas was that there was a disagreement between experts on the significance of the findings. "The leaks are quite extensive," he said, "but we could not say it means earthquakes. However, there has not been such extensive evidence of radon in California before." He said there had been measurements in China of widespread gas leakage followed by earthquakes.

Letter from Atlantic City

Jackpot eludes faded Vegas of the East

Atlantic City has pretensions, no doubt about that. As you drive on the expressway from New York or Philadelphia, billboards at the roadside praise the splendours of its casinos.

At the Tropicana, they boast, we shall feel as though we are in Monte Carlo. Being at the Claridge is just like being in London.

The Tropicana does not open until next month, so it remains to be seen whether it will be crowded with Grace Kelly look-alikes. The Englishness of the Claridge lies in its doormen being dressed as Beefeaters and its security guards as London bobbies, with shiny plastic helmets. Beyond them, it is just another gambling haven, tinkling with fruit machines, indistinguishable from the rest.

This seaside resort 120 miles south of New York has always aspired to be what it is not. In the 1920s, when it was fashionable and prosperous for five months of the year, it wanted to be a centre for conventions, to extend its season.

When it became a convention centre it wanted to be a gambling city, the Las Vegas of the east. Now that has happened, it is not quite sure that it likes it. There remains the feeling that casinos are a bit shameful.

"We see gaming as a catalyst for rebuilding as a resort and convention city," said Mr Gerard Kauper, president of the Convention and Visitors' bureau. "We want to attract quality visitors who do not come just for the casinos."

Two of the words he used are interesting. "Gaming" is a word and not strictly accurate description of what goes on in the casinos; most of the action is at slot machines rather than aming tables. But "gambling" is not a socially acceptable word. Under the strict rules by which the state licenses the casinos, they may not mention gambling in their advertisements.

And he spoke of "quality" visitors, a word he uses often. It is what Atlantic City has always wanted but never achieved. The eight casinos that have opened since they were made legal in 1977 have not so far

spread their glamour beyond their vulgar glass and steel walls.

They are bright and busy enough, but the faded resort on which they have been grafted remains drab and blighted. Day rippers from New York play the machines in their raincoats. Though constantly crowded, the casinos claim not to be making big profits, nowhere near the level of those in Nevada, the only other American state that permits them.

This is because the rules that the state established to overcome fears of rampant crime and corruption are expensive to enforce. The casinos have to employ, for instance, a fixed number of staff; the security squad at just one of them is bigger than the city's entire police department.

Partly for that reason, and partly because of high interest rates, most of the 29 hotels and casinos proposed in 1978 have not been built. The Tropicana will bring the total to nine. Work on three others has been suspended and the other sites are still vacant lots.

The city now has the second highest crime level per head of population in the United States, exceeded only by Miami. Fiddles have been invented here. The

On the bright side, convention business is picking up after a calamitous drop in the late 1970s, and the casino have certainly improved the quality of the entertainments from which visitors can choose.

While the amusements on the three piers are either tatty or closed, something of the old resort remains. At Margate, a few miles south, an old hotel built in the shape of an elephant has been restored.

It only had 10 rooms and must have seemed almost as eccentric in the late nineteenth century, when it was built, as it does today. But then it is scarcely more bizarre than the construction of shiny pavilions full of machines where thousands stand for hours dropping in coins, staring at badly-drawn pictures of fruit, spinning around.

Michael Leapman

SAUSAGE IN PLACE OF KING

Mohammed, Morocco, Oct 20.—Joseph Guillo, a French ship's engineer, was jailed for years here today and fined about £50 for hanging a sausage on a hook that normally held a portrait of King Hassan.

M Guillo's lawyer said he would appeal against the sentence, imposed of insulting the Moroccan king and the "dignity and feelings of Moroccans".

The court heard that M Guillo said the sausage was "more useful than a picture of the king", and he disregarded protests from Moroccan crew members of the tanker Al Ghassani where he hooked the offending item onto a bulkhead.

The tanker's master, also a Frenchman, was said to have removed the king's portrait in bad weather.

M Guillo, aged 45, a father of two from Quimperle in north-west France, was second engineer on the Ghassani. He had been in custody since August 20.—AFP.

Civilian to administer West Bank

Tel Aviv, Oct 20.—Mr Ariel Sharon, the Israeli Defence Minister, today appointed a civilian to administer the occupied West Bank from the end of the month.

Professor Menachem Milson is to head a civilian administration that will take over such functions as health services, education and agriculture, while the military will concentrate on security.

Palestinian Arabs in the West Bank are to fill some of the senior positions in the new administration, as the first stage of an autonomy plan for the West Bank and Gaza Strip. No Palestinians have yet been appointed.

Officially, Professor Milson will be acting under the authority of the military government in the West Bank, but he is expected to take his orders directly from Mr Sharon.

Professor Milson, who is 48, has served as adviser on Arab affairs to the military government in the West Bank.—AP.

Whitehall's new idea for dealing with local questions.

There's some very worrying legislation about to creep in and out of Parliament.

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If you petition for more swings in the park, or for a youth centre, you'll have to go to Whitehall.

And because Whitehall is so huge, you won't know who to talk to.

If you come to us with your problems, our hands will be tied.

We'll have come up against this innocent looking law. But like all laws, no-one can argue against it.

It won't matter if your local councillor

agrees the roads are bad. He lives there too.

Or that there aren't enough books at the neighbourhood school, even though his own children go there.

It won't matter if there's no room at the old people's home for our senior citizens.

And there'll be no point in appealing to us. No point in attending council meetings.

As things are, our doors are open.

Whitehall will stay closed.

In silencing us, they

will have silenced you too.

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of the more modern cases in his Lordship's judgment, the word "conditions" should be construed in the broader sense.

Solicitors: Lloyd, Denby, Neale, Holman, Fenwick & Williams.

PARLIAMENT (Continued)

Archbishop maintains criticism of British Nationality Bill

LORDS

For the first time there was a Bill which gave British citizenship, carrying with it without question the right of abode in this country and this must surely be good for race relations. Lord Belstead, Under Secretary of State, Home Office, said when he moved that the British Nationality Bill should now pass.

The Bill, he said, marked a long overdue reform of the nationality law. He wanted to ensure that the Government's total commitment to the maintenance of the existing strong links with British dependencies, nothing in the Bill in any way weakened the United Kingdom's constitutional relationship with them or the right of commitment to represent their interests internationally.

He expressed surprise that Lord Elwyn-Jones had tabled an Opposition amendment which referred to "injustice", "saturnity" and "racial tension".

The Bill was an endeavour to modernise and rationalise an endeavour which the Labour Party had previously recognised as being necessary and overdue. Lord Elwyn-Jones moved his amendment which said the Bill would result in injustice, greatly increase the number of stateless men, women and children, create new uncertainties and feelings of insecurity and exacerbate racial tensions.

He said Labour peers believed that much as it had been improved during its passage through Parliament, the Bill as it now stood was still so objectionable as to merit special condemnation. The Bill remained seriously unbalanced. The Government had not yielded an inch on the principle of jus soli, the acquisition of British citizenship by the simple fact of being born in Britain. It should have been retained. It was simple, clear and familiar and avoided statelessness on British soil. It had been replaced by a complicated provision which was a mixture of birth, descent and immigration status.

For the first time in British history, a number of children born in the United Kingdom would be stateless, running contrary to national tradition and seriously unbalanced.

The Archbishop of Canterbury (the Rt Rev Robert Runcie) said the main criticism of the Bill which he and others made on second reading still stood. It was a complicated and bad Bill then and it was a bad Bill now.

The changes made had not altered the basic principles on which it was based, nor removed the objection which had been put forward by those who felt they must voice the fears, particularly of ethnic minorities, to whom the Bill had been put.

I want to place on record (he said) our deep concern that on so fundamental a matter as nationality, we seem about to pass

into law a measure which in the view of the leaders of all our churches—and we are increasingly working together in these matters—is questionable when judged by moral principles and the effects of which will be to sow doubts in an area where reassurance is desperately needed.

History would judge that this was a great opportunity missed and this was a Bill of which future generations would not be proud. It could have been a better Bill if some amendments narrowly lost in certain cases had been passed. I regret the loss (he said) of the amendment, moved in the name of myself and three other bishops, to retain the principle of jus soli. It would have been a much simpler Bill if that fundamental change had been accepted.

As to the future, the churches remained profoundly unhappy

about the Bill. I wish to register this (he said) by voting for the amendment in Lord Elwyn-Jones's name.

If and when this Bill becomes law, we shall seek to help people to understand it and to claim their rights under it, until such time as, I hope, a new Bill based on sounder principles can be introduced. That is the democratic way. We will have no truck with those who are determined to make mischief. I believe that the Government can help greatly if the administration of this legislation can be characterized by the qualities of generosity and understanding.

In drawing up future legislation there should be the closest consultation with the Commission for Racial Equality and the organisations representing the ethnic minorities. The Bill provided a degree of uncertainty of interpretation too much, some would say, it could be used helpfully, and he appealed to the Government to use it in that way.

There was a growing sense of alienation and discrimination among immigrant communities, to which the Bill would add. The amendment had contributed and which those who talked of representation had increased.

Lord Kadoorie of Kwai Loon, in a maiden speech, said there was no doubt that China intended to use to fullest advantage the facilities, and expertise of the West that were concentrated in Hongkong and that of all western powers the United Kingdom was best placed to assist in this process.

To many Hongkong citizens (he said) the proposal that we are no

longer to share a common citizenship with those of the United Kingdom and colonies gives an impression of rejection, a feeling that at this important stage in our history Britain is distancing itself from Hongkong that we are losing our Britishness.

Lord Aylesford (SDP) supported the official Opposition's amendment because, he said, the Bill could not do anything other than exacerbate the present situation.

Lord Geddes (C) said the Bill as it left the House would create feelings of insecurity.

Lord Taverne (L) said he had been alarmed to read a report that 10 hospitals had been selected for a pilot scheme in which patients' nationality would have to be established first before they were given NHS treatment.

Did this mean that his wife, who was Chinese, if she went to one of these hospitals would be asked about her nationality although she was a British citizen?

Lord Auckland (C) said he would support the Bill although he was particularly worried about the effect of it on the Commonwealth. He was concerned that the Bill gave the impression that there was one rule for the EEC and another rule for the Commonwealth. There were serious anomalies in it.

Lady Elles (C) said she warmly welcomed the Bill. It was time it was recognized that a great contribution it was making to British legislation. For the first time they had a nationality Act which depended on merit with this country regardless of race, colour, creed or religion.

Lord Harewood (C) said it was not the job of parliamentarians to add a rider such as the amendment to a Bill which they recommended should be passed.

I was appalled (he said) to hear the Archbishop of Canterbury say he would vote for and support this amendment. I accept his arguments and respect his views, but to say that he is prepared to put on record that he is 'allowing' to go through a Bill which will exacerbate racial tensions is virtually inviting people who intend to exacerbate race relations to use this as an excuse to go on doing just that.

I am glad he said he was only talking for the bishops, because as a practising member of the church I do not think he was talking for the whole of his flock.

Lord Belstead said he rejected the charge in the amendment that the Bill would create uncertainty. Under the Bill, British citizenship would carry the certainty of right of abode in this country. It would make secure the position of many people who came to settle here from overseas.

The amendment was rejected by 149 votes to 92—Government majority 57, and the motion that the Bill should pass was agreed to.

Earlier the Government accepted, on the third reading of the Bill, an amendment moved by Lord Pitt of Hampstead (Lab) which sought to ensure that Commonwealth citizens' children settled in this country before January 1, 1973, would be able to benefit from the entitlement to British citizenship conferred by the Bill.

Plastic bullets effective in crowd control

TERRORISM

The plastic bullet was three times more deadly than the previously used rubber bullet. Lord Brockway (Lab) claimed during a question to the Earl of Gowrie, Minister of State for Northern Ireland, on the use of plastic bullets by the security forces in Northern Ireland and Great Britain.

Lord Brockway: The plastic bullet was introduced because it was considered to be more effective in crowd control than the rubber bullet. The published figures are that one person is killed from 18,000 rubber bullets fired and one person is killed from 5,000 plastic bullets fired. This shows that the plastic bullet is three times more deadly than the previous rubber bullet.

Lord Gowrie: The plastic bullet was introduced because it was considered to be more effective in crowd control than the rubber bullet. I went to the forensic laboratory in Belfast to examine the plastic bullet, itself an unpleasant weapon. It has been effective in reducing violence, and I hope that the need for its use will be curtailed.

Lord Brockway: Does not the use of this weapon and other lethal weapons by the police in the words of the Home Office Working Committee, indicate "a significant departure from the traditional police image" and destroy its civilian unarmed status?

Lord Gowrie: Everyone regrets that the police should have to use any weapons on any occasion. My judgment is that the presence and knowledge about this weapon has reduced the need for the police to use other kinds of arms which could be more lethal.

While he believed that really

£170m from detection of fraud

SOCIAL SECURITY

During 1980-81, £170m had been saved through detection of fraudulent social security benefits claims. Mr Hugh Ross, Minister for Social Security, said during a question to the Earl of Harewood.

Lord Harewood: I am sure that the Government will be pleased to say how much was lost through undetected claims.

Mr Frank Hooley (Sheffield, Healey, Lab): Is he aware that a considerably larger sum to which people are entitled, is not being claimed and as there are now a million long-term unemployed who have to rely on supplementary benefit, would it not be more sensible for those staff chasing the fraud to be used in paying out benefits to people who are entitled to them?

Mr Ross (Haringey, Haringey, C): There has been no let-up in the endeavour of my department to ensure that those entitled to money are receiving it. We advertise as widely as we can. There has been a considerable increase in take-up in such as mobility allowance, attendance allowance and family income supplement.

Mr Robert McCordle (Barnwood and Ongar, C): Is it not about time we stopped seeing policy as either a black shade of chasing fraud, or a white shade of take-up of benefits. The Government's policy should be to ensure maximum efforts are made to get people to take up benefits while at the same time losing no opportunity to pursue those who make fraudulent claims?

Mr Ross: That is our policy. Mr Jeffrey Rooker, an Opposition spokesman on social security (Birmingham, Perry Barr, Lab) said the answer given is a fraudulent

Disclosure provisions unchanged

COMPANIES BILL

Opposition attempts to restrict the number of companies which would be given exemption from having to provide information about their accounts was defeated by 189 votes to 143—Government majority, 47, when the Companies Bill resumed its report stage.

Mr Clifton Davis, an Opposition spokesman on trade (Hackney Central, Lab) said the Government had got it wrong in trying to define the size of small companies. The Government said that to come within such a definition a company must not have an annual turnover of more than £140,000, a balance sheet total of less than £700,000 and should employ less than 50.

The turnover in the higher echelons of the Government's figure was hardly a small company, and the balance sheet figure was not substantial, while the number of employees was more appropriate to the term small company. The Opposition amendment suggested £250,000 for the annual turnover and £125,000 for the balance sheet, with the number of employees reduced to ten.

While he believed that really

would make him the shortest

Minister, but certainly the most

Mr Chalker: It is high time he gave the minister at least a

chance.

Impact of joblessness on health

There was no evidence of any relationship between unemployment and health, said Dr Gerard Vaughan, Minister for Health, in a speech to the House of Commons.

Dr Vaughan said a pilot study on unemployment and health found there was no clear relationship between the two, he added.

Dr Vaughan (Reading, South, C), answering a group of questions from Labour MPs, said that the report on unemployment and health in families by Dr Leonard Fagin was an excellent pilot case study which showed yet again how

right the Government was to be concerned about the rising of inflation and unemployment. But it was a pilot study of only 22 families and MPs would want to hear that in mind when reading it.

Mr Joseph Dean (Leeds, West, Lab): Whatever the size of the inquiry, the one thing which comes across clearly is that with increased unemployment there will be an increasing number of people who are ill because of the Govern-

ment's policy. When is the Government going to find some remedies? small and medium sized companies to claim such exemption to the detriment of the public.

Mr Reginald Kyte, Under Secretary of State for Trade (Birmingham, Hall Green, C) said that the nature and extent of the accounting exemption provisions in the Bill had been widely welcomed. The Opposition amendment was misguided and unacceptable. It would reduce significantly the number of small and medium sized companies able to take advantage of the accounting exemptions available to such companies.

The Government's policy was to assist the smaller company sector wherever that was possible and reasonable. The thresholds for determining the size of small and medium size companies had been set at the maximum under the Fourth Directive for the classification of companies so that the maximum number of companies could make advantage of the accounting exemption. That would help their competitive position in relation to large companies and groups.

The report stage was concluded and the Bill read the third time.

The Bill was a publicity stunt.

Isle of Man and Channel isles defended

TAX AVOIDANCE

A Labour MP was refused leave by 151 votes to 124 to introduce a Bill which he said was aimed at curbing tax avoidance by United Kingdom companies through the Channel Islands and Isle of Man.

Mr George Foulkes (South Ayrshire, Lab) said the islands provided an easily accessible English bolt hole for every kind of avoidance of United Kingdom tax. Governments on the islands actively encouraged the use of the islands for tax avoidance.

So-called stability on the islands was provided by a feudal electoral system which stifled any potential opposition and many of the islands' government members were directors of the banks and companies which were increasingly flocking to the islands.

Mr Albert McQuarrie (East Aberdeenshire, C) opposing the Bill, said it represented an intrusion on the rights which had been invested in the governments of the islands. There already appeared to be adequate legislation to cater for companies transferring to these alleged tax havens.

The Bill was a publicity stunt.

health service (Greve, Lab): If the Government is determined to use unemployment as a method of disciplining the workforce, why does he not use the basis of the cohort study, which not only looks at the higher death rate, apart from all the other psychiatric problems?

Dr Vaughan: There is, at the moment no evidence of a relationship between unemployment and the death rate. The Queen Mary College study is to look at this aspect and we support it. If you look at the figures between 1922 and 1976 there is no correlation which follows on from unemployment. The umbrella figures apply only to America, but they are being looked at in this country.

If he is not convinced by that, what is it going to take to prove to him the damage this Government is doing to ordinary people?

Latest NHS drug bill reaches £787m

The Government was looking at the take-up of drugs with a view to prescriptions being used as economically and efficiently as possible, Dr Gerard Vaughan, Minister for Health said.

Mr David Knox (Leek, C) had asked what was the cost of drugs dispensed under the NHS in each of the past three years.

Dr Vaughan (Reading South, C): Expenditure on drugs in England, excluding hospital services was: 1978-79, £564m; 1979-80, £643m; and the provisional figure for 1980-81 is £787m.

Mr Knox: Is he satisfied large points out low-cost drugs are not being prescribed? If not, has he plans to tighten up?

Dr Vaughan said there was a working group looking into this and making good progress.

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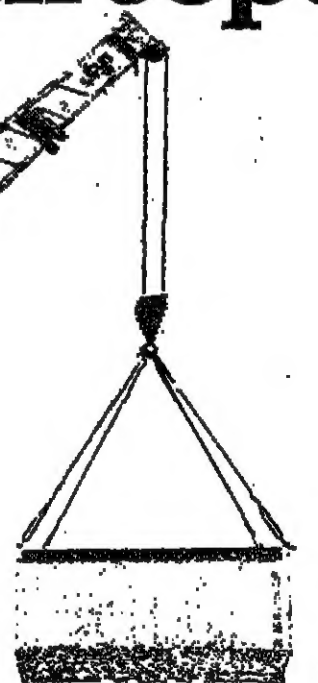
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The Times-Profile: The Manpower Services Commission

Plenty of money to spend — but who is minding the child-minders?

By David Walker and Peter Hennessy

Today, like every other weekday morning, 30,000 of this country's 16 and 17-year-olds will report at colleges, factories, offices and workshops — subjects one and all of Special Programmes. "Special" was the bureaucrats' way four years ago of implying that schemes for jobless youths were meant to be temporary; few are special any longer. With unemployment among school-leavers in some districts running permanently at between a third and a half they will never be special again.

The two score of young trainees who are now clocking-in at the disused St Peter's teachers' college in Salford in Birmingham are probably typical. St Peter's is like a thousand other places in the industrial wastelands of the Black Country, Teesside or Lancashire where Special Programmes are making work. The volunteers for this new deal punch time cards because that is good practice, good industrial discipline for the real jobs that might one day come their way.

Some come straight from school, early earmarked by Birmingham City's careers staff as destined for the dole. Others have been unemployed, referred by job-centres, some are back from temporary placements as an extra pair of hands for some local employer. Special Programmes' young pensioners get £23.50 a week subsistence. The dole pays £17. Staying on at school pays nothing. Special Programmes does not lack for clients, and that explains why Salford 16-year-olds are on the receiving end of one of the most spectacular examples of peacetime government growth since Lloyd George put up the first scaffolding of the Welfare State 70 years ago.

Although Salford's youth could not give a fig for the nuances of administration, Special Programmes is the classic creature of the modern corporate state, the Manpower Services Commission. Bivied off, not directly accountable to Parliament, spendthrift, the MSC has grown fat on recession and now puts on weight even under the Thatcher retrenchment.

Holding company for workless

Its officials, self-confident often outspoken men, have identified Whitehall's winning game and played it well: demand-led growth, the principle that staff and budgets follow the same upwards curve as national unemployment. The reward is a one knowledgeable cynic put it, has been to spread the privilege of having a drinks cupboard in the office further than ever down the line.

Yet as long as politicians care about Salford's jobless 16-year-olds, Special Programmes there must be. Being a national youth-minder, as the MSC has become, is an expensive business. The MSC's £900 million budget employs the Salford trainees and their instructors, albeit temporarily, and if they do not emerge from their six or twelve months' wood and metal working courses with new skills, they might at least be more employable. The MSC keeps them off the streets. And this summer that might just have been the MSC's Special Programmes' most telling defence.

Conceived by Mr Heath's Tory government in that era of innocence before the spectres of the Organization of Petroleum Exporting Countries (OPEC) and prolonged slump began to bathe the Cabinet room, the prototype MSC was meant to be a holding company to look after the employment and training services of the Department of Employment. A fashionable administrative theory said these services should be hived off, removed from the direct supervision of the Secretary of State for Employment. Equally fashionable theory — remember this was after Mr Heath's U-turn — dictated that the MSC have a "tripartite" set up. The ten commissioners, to whom in theory the MSC's 24,500 staff are answerable, represent the Confederation of British Industry, the Trades Union Congress and a clutch of peripheral interests in education and the voluntary services. The third party, the government, pays the bills.

In seven and a half years since its establishment in 1974 the MSC has changed. No one planned the present MSC, former Employment Secretary Mr James Prior has told MPs it was "bad luck" that unemployment swallowed up the original idea. Under the Callaghan administration the MSC became the conduit for socialist blood money poured in almost indiscriminately because the MSC was the only administrative vehicle around that might DO SOMETHING about joblessness.

So the MSC grew a third arm in addition to its original functions of improving labour



The Youth Opportunities Programme provides help backstage at the Croydon Warehouse Theatre.

skills (by means of its costly and not terribly efficient Shillingtons) and finding people jobs through labour exchanges rechristened Job centres. The third arm was Special Programmes, born in 1978. In the years since Special Programmes have taken on 1,200 administrative staff and increased spending by £300 million a year. Placements on special programmes grew from 60,000 in the first year of operation to around 600,000 planned for the current year.

MSC's budget has grown from just over £400 million (in late 1979 prices) in 1975-76 to about £700 million on the same price base this year. Some portion of this went on selling the MSC's image: marketing, public relations and corporate identification have always been big at Salford House, the organization's High Holborn headquarters. MSC newsmen entered the vocabulary of teachers and employers; few 16-year-olds leave school nowadays without some familiarity with Yop, Weep and Wics — MSC acronyms for the youth opportunities programme, work experience on employment, prizes and work introduction courses.

Locally, the MSC established a network of regional offices dispensing an impressive amount of patronage in the form of committee appointments. The Birmingham office of Special Programmes, with 75 staff, runs a number of West Midlands committees recruiting high and low — from the Bishop of Worcester to the regional officer of the National Union of Public Employees. The committees are meant to lubricate local bargains between colleges, councillors, chambers of commerce and shop stewards so schemes for the young jobless can get started. Success is measured in places. The Birmingham Special Programmes office mounted 6,500 places in 1979-80; 23,000 this year.

Accentuate the positive

So far MSC style corporatism has got results — measured in training places, schemes mounted, money spent and make-work for the youth of Salford. Something has happened, and that is the MSC's achievement, says Mr Geoffrey Holland, director of the commission. "The problem with Britain is that there are so many people around who can stop things happening. To have something — meaning the MSC — that can help things to happen is very valuable."

Yet the MSC has an impressive array of critics, not all convinced by the Rooseveltian enthusiasm of Mr Holland. Some critics, for example in the local teaching service or the Department of Education, are merely jealous of the MSC's cock of gold. Had education in Britain not been driven by its local-central split and the schools' tatty recognition of their obligations to pupils' job prospects, then education might have got the money that the MSC now has. There was a time in 1977-78 when Mrs Shirley Williams was Secretary for Education when the unemployment blood money might have found its way directly to the schools and further education colleges.

As it is, the MSC buys courses from local colleges and the MSC pays the salaries of an uncounted number of trainers and counsellors who are nominally on the books of local councils. The public

financing of further education has therefore become worryingly complex; provision for the 16-19-year-olds population a maze. Training at St Peter's, Salford, can cost the MSC some £2,000 per year per place — not too far short of the cost of tuition in a university.

How to measure the effectiveness of such training or other youth placements? Hard evidence is rare and difficult to assess in a slump; anecdotal evidence isn't good. Mr Michael Heseltine, Environment Secretary, got an earful of trainees' complaints on his Merseyside walkabout — "I...ing useless" was what he heard. His solution is to put more trainees to work on "useful" projects, run by the very local authorities which are the target of the Government's campaign to reduce public sector employment.

But serious questions remain about the value of local special programmes. The structure of the MSC creates other bigger worries. Sir Leo Pliatsky, commissioned by Mrs Thatcher to review the growth of secondary bureaucracy (quangos as its symptoms are known), noted that until 1979 the MSC had employed such a priority in public spending allocations that it had been saved from making hard choices. He wondered if the dual responsibility for employment of the MSC and the Department of Employment would always make the ordering of priorities difficult.

Certainly the MSC's connections with Whitehall and Parliament are complex, hinging in part on discussion by MPs of the MSC's corporate plans. Only recently and reluctantly vouchsafed to them, and in part on a ministerial sub-group of the Cabinet economic strategy committee which together with an interdepartmental manpower group chaired by Mr Donald Dux, a deputy secretary in the Department

of Employment, oversees the MSC's doing. The tripartite organisation of the commission supposed to enlist the cooperation of trade unions and employers in the various schemes. It also stops certain fundamental issues being properly aired — because they might offend one of these social partners. Wage rates for young workers is one taboo; trade unions have been reluctant to have the MSC make much progress in overhauling Britain's apprenticeship system and complacent employers have been happy to go along.

Not surprisingly, the MSC's top officials are its most assiduous apologists. Mr John Cassels, director until the end of September, believes it to be the handmaiden of a great transformation of Britain's labour force into a body of workers poised to take advantage of the new technologies now in prospect. In this view, the MSC's Special Programmes are a temporary dislocation. Look instead, he admonishes, at the MSC's new training plan, a long term plan of immense importance to the economic life of the country and to its social cohesion. ("Working for the MSC has not hurt Mr Cassels' civil service career. He has moved to become a second permanent secretary with Sir Derek Rayner's Cabinet Office waste unit.")

100,000 flowers bloom

But in Mr Geoffrey Holland, the MSC's newly appointed director, there is an unabashed evangelist for Special Programmes. They have to be operated outside the normal constraints of a central government department's tidy "rule-book," he says. Schemes for the young jobless have to be created locally and a host of diverging interests reconciled. This needs, according to the Hol-



Geoffrey Holland, MSC director of Special Programmes, with Karl Bailey, aged 16, the 500,000th entrant to the Youth Opportunities programme.

Solidarity: what a pity it does not include the women of Poland

A visit to Poland at the moment is for anyone a heady experience. For a woman the experience can also be strangely disorienting. On the one hand there is still an overwhelming barrage of courtesy, particularly for a woman with a small child. In any crowded Warsaw tram there would be intense competition to give me a seat; in interminable queues for boarding aeroplanes I was whisked to the front and escorted on board while armed soldiers kept back the childless rabble. The effect of all this was slightly amusing, very charming and most seductive.

But this is not the only aspect of women's life in Poland. In a Communist state, despite the strong survival of male deference, women can and do work as road-builders, doctors and crane drivers. So it would seem that Polish women enjoy the best of all possible worlds: old-fashioned protective courtesy in the best traditions of Catholicism combined with economic and political equality engendered by Communism. However, this apparently utopian picture cracks when one examines the power structures, even within an organization that stands for forward-looking idealism and democracy: Solidarity.

Solidarity's membership has grown enormously in the past year and is now thought to have stabilized at about 10 million, or one in three of the population. Having developed from a "worker underground movement," its hierarchy has now been established: below the president are two vice-presidents, then a praesidium of about 10 and then a council of 100. Every one of these, from president to lowest council member, is male.

There was once a woman on the council, and her story is illuminating. Anna Walentynowicz was a welder in the Gdansk shipyards. Besides being a widow and a good Catholic, she was active with Lech Walesa in the resistance movements which preceded the setting up of Solidarity. She was the focus for strike action when the authorities tried to dismiss her for her political activities. Then, as a member of the Solidarity council, she was a figure of great popularity throughout the land as Walesa himself.

Ransomed for union support

Special Programmes are new, they need improvement, says Mr Holland. "The problem that Roosevelt found, and we have found is that you can have 100,000 flowers but you are not sure which are the most sweet-smelling. We have to move towards something like Mr May's Inspectorate of schools." To review the host of projects and schemes.

Does the MSC's closeness to the organized labour movement mean some public manpower policies are being ransomed for union support? MSC officials believe union representation has been beneficial; has bought off the hostility of some unions to giving employers access to cheap and youthful labour. Mr Cassels says, tripartism has allowed continuity in MSC's programmes despite changes in political fashion. (The TUC is a good ally when Labour is in; the CBI when the Tories come back.)

On the MSC's structure, yes, Mr Holland says, "we have allowed bureaucratization and red tape to close in. We have got to cut it out again." That may not be easy. As the MSC approaches its second decade, it faces the bureaucratic ossification that often encumbers even vigorous new bodies in their middle years. Once Special Programmes are recognized as permanent fixtures, what justification will there be for a free-floating hived-off administration (especially when the Department of Employment remains, oddly, various job-creating responsibilities)?

But bringing the MSC back into the bosom of Whitehall would mean the government recognizing that long-term unemployment and underemployment high levels of joblessness among tender-aged youth are here to stay. Defining them, administratively, as the business of a hived-off whipping boy — the point is Mr James Prior's — is a nice let-out for politicians.

Mr Norman Tebbit, successor to Mr Prior as Secretary for Employment, is at this moment reviewing the MSC. He is likely to start out with a prejudice against Special Programmes and any such expensive child-minding operation. Mr Geoffrey Holland is a plausible if interested witness for the defence.

But for the MSC this summer's civil disorders would have been worse. "I'm quite certain of that," says Mr Holland. "We have now had one million young unemployed in the programme. They would have had nothing as an alternative to the dole. If it had not been for us, we should have had even more than we have had: a lot of alienated, under-developed young people lost in a modern world."



Rachel Cullen

Yet the union convened a "workers' court" in an attempt to remove her from its council. The grounds were that she was politically naive and too radical — this despite her long political apprenticeship in the pre-Solidarity underground free union. The court, however, found in her favour and so she could not be ejected, but later she resigned from the council. In the Gdansk Solidarity strike last December she was to be found still working for her union, though now in the kitchens.

The story is the same in other sections of Solidarity: women who had been active in the underground movements began with a voice in the new union, but almost all have now lost their positions of power. Anna Pienkowska was the Gdansk regional council for the shipyard, but is so



(Only two women among Polish workers at Fiat)

Breast-feeding and pregnancy: some truth in the old wives' tale

Only in the present century have women in western countries acquired the freedom to become sexually active while rejecting a life pattern based on repeated pregnancies. Yet while the sociological consequences of this new freedom have been examined in the minutest detail, the hormonal effects have come under less scrutiny.

Unravelling the complex links between hormones, fertility, pregnancy, and lactation is now, however, being given high priority. These relationships may hold the keys to two of the most pressing problems facing modern medicine: providing satisfactory contraception for women in Third World countries and finding some way of reducing the frequency of breast cancer in women of all cultures.

In western countries breast feeding is encouraged as safer and healthier for the baby as well as being an important element in forming psychological bonding between mother and infant. Little mention is made of its contraceptive effects — indeed the belief that it cannot get pregnant while you are still feeding" is often dismissed as an old wives' tale.

In Africa, Asia, and South America, however, breast feeding is the most important factor in spacing pregnancies. In societies where contraception is still not readily available, so how does breast feeding prevent pregnancy, and how reliable is it?

In primitive communities such as the Kung hunters in the Kalahari desert the average interval between births may be as long as four years: this spacing seems to be entirely due to the contraceptive effect of breast feeding. As soon as the Kung leave their nomadic way of life and settle in towns and villages, the birth interval drops. Few European women seem able to go much over a year before another pregnancy (assuming no other form of birth control) and the interval may be as short as four to six months.

The explanation for this wide variation lies in the mechanism by which breast feeding protects against pregnancy. Milk formation by the breasts is controlled by a hormone, prolactin, secreted by the pituitary gland at the base of the brain. So long as the blood contains high levels of prolactin the pituitary does not secrete the trigger hormones that lead to ovulation, menstruation, and the possibility of pregnancy.

Research in Edinburgh has shown that the contraceptive effect of breast-feeding persists for as long as the baby takes only breast milk. As soon as the mother introduces supplementary feeds — either dried milk or solids — the stimulus to prolactin secretion declines and ovulation becomes more likely. Only while she feeds exclusively with breast milk and allows her baby to suckle as often as she wants can a mother hope to postpone her return to fertility.

Is this further scientific ammunition for the pressure groups campaigning against the promotion of dried milk? Should not women in Africa and Asia be taught more about the contraceptive effect of prolonged breast-feeding?

Sadly, the issue is more complex than that. Research in Ghana has shown that peasant women are commonly so poorly nourished that their breast milk can provide only half the protein and energy required by a baby of three months. If a mother relies on breast milk alone her baby's growth will be slow and he will become weak and malnourished. If she supplements her breast milk (with all the attendant risks of gastroenteritis from polluted water and dirty feeding bottles) she is likely quickly to become pregnant again.

The implications of these research findings are plain enough. The miserable cycle of frequent births and high infant mortality which exist in developing countries so long as women are starving. Only by ensuring that the mothers' nutrition is adequate can governments hope to lower the birth rate and the infant mortality rate.

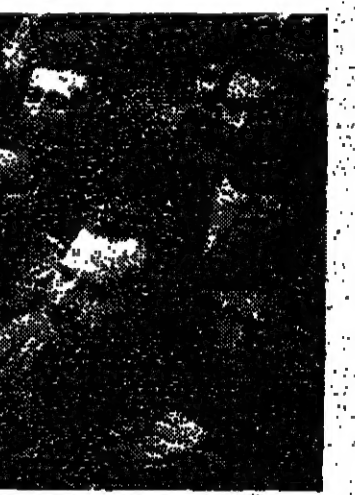
A second, thought-provoking implication for research groups is that human lactation might be the most "normal" model for contraception — at least for the spacing of births.

At present, however, the focus of research interest in studies of sex hormones in Western communities is the link between breast cancer

no longer. A woman used to head the doctor's section of Solidarity for the women's division; she has been ousted. Indeed, in the capital there is now only one division headed by a woman; the intervention section, which follows up cases of individual complaint against the state. She, of course, may stay entrenched in her position, but the short history of women in Solidarity makes this at least doubtful.

Meanwhile many women are taking an age-old alternative route to power through motherhood, and there are also economic reasons for the present population explosion. Jobs done by women are generally ill-paid and boring, and the Government, in an attempt to paper over the unemployment problem, has recently offered an extension in paid maternity leave from one year to three. There is some doubt among more cynical women that this promise will be kept, but clearly a large number have jumped at the opportunity to get out of their dreary jobs.

Of course, it would be patronizing and futile to suggest that Solidarity ought to have found more effective ways of channelling women's discontent, even though it would be good to see the people of Poland represented equally in the decision-making heart of the country's most important and vital organization. For, though desperately short of most things, Poland is rich in the enthusiasm, intelligence and political passion of its people. It is doubly sad then that this vital resource is being wasted.



(Only two women among Polish workers at Fiat)

and the postponement of first pregnancy. Despite improvements in treatment, breast cancer remains a major cause of illness and death in middle age: one woman in every 17 will develop breast cancer at some time in her life. For many years childbearing has been known to protect against breast cancer: the disease is most common in women who have never been pregnant. More recently the age at which a woman first becomes pregnant has been found to be the determining factor. The longer a woman delays her first pregnancy the greater her risk of developing breast cancer later in life. Whether the woman first feeds seems to have no effect, and nor does the number of pregnancies increase the protective effect of the first.

What seems to happen is that pregnancy causes permanent changes in the breast; after pregnancy the cells that line the milk ducts become more sensitive to the regular monthly cycle of sex hormones. If the woman has not been pregnant, these sex hormones provoke a different response from the breast tissues and may eventually stimulate growth of a breast cancer.

The crucial question — as yet unanswered — is the effect on the breasts of the mixture of hormones provided by oral contraceptives. Research already completed has shown that women who have taken oral contraceptives after their first pregnancy do not seem to have any increased risk of breast cancer. No one yet knows whether the pill increases or reduces the risk of later breast cancer in women who have never been pregnant — nor the effects of the various hormone combinations in different pills.

For the time being, then, there are more questions than answers. As so often happens in medicine, the more detailed the investigations the more complex the picture appears. The back-story to a disease, one of the few certainties is that (short of a massive nuclear war) the world will remain overpopulated. In the twenty-first century few women will want more than one or two pregnancies in their 30 years of fertile adult life. What the medical research teams have to find is the optimum combination of hormones, as far as possible, with a minimum of intervention.

Dr Tony Smith
Medical Correspondent

THE ARTS

Television

A rich harvest

The first of planned cycle of "Tony stories", he tells us in *Radio Times*, centring on crises of English Conservatism and false revolutionary dawns since the end of the Second World War, Trevor Griffiths's *Country* (BBC 1) took place in a wealthy brewer's mansion during the General Election of 1945 while the stables were occupied by an ominous brood of common folk. The black sheep (James Fox) returned, was persuaded to take over the firm and turned the tide of revolution indefinitely with the invention of recarbonated beer: what Bill Hayden in *Tricker*, *Tricker* actually went to call the economic suppression of the masses had begun.

Country was also offered, according to its author, as a critique of the Country House Play — a fake genre Mr Griffiths claims, since it proposes that the aristocratic rich are the same as the rest of us, only richer, whereas any good Marxist knows that money has transformed them into an alien species, a race apart. Evelyn Waugh would have warmly agreed, so *Country* could have been alluding to *Brideshead*. To what, then? *Dear Octopus*, improbably close at time in character, and situation (even if, unlike Cicely Courtneidge, Wendy Hillier displayed small interest in folding her dinner napkin into swans). There was a close and deliberate affinity with *The Cherry Orchard*, of which Griffiths and his director Richard Eyre gave us a marvellously lucid version at

the same time a week ago, with Lopalkhin, naturally and with our strain to the masterpiece, becoming a figure of quiet humanity and conviction. But the relationship of *Country* to *Cherkov* was ill-defined, and the technical demands of confronting the kind of events and confrontations that spread across three or four acts in the theatre into 80 minutes without a break give the playwright little time for anything else.

There were two other reasons why the result, although always promising to ignite and therefore never dull, fell between propaganda and pastiche. It failed to live down to the writer's reductive economic view of human nature. The family he created was not, after all, unlike most groups of repressed and repressive relatives gathering for a christening, a birthday and a dance — while Ann Scott's production and Mr Eyre's directing had the kind of elegance and style that becomes a pleasure, perhaps distracting, in itself. Mr. Fox led a genuinely distinguished cast (Joan Greenwood, voice and mischievous unimpaired, Jill Bennett in carnivorous form, Penelope Wilton, calm and grave as the communist daughter returned for the kill) with a performance of almost disconcerting energy and charm that packed a hypnotic unpredictability suggesting quite a different sort of play.

Michael Ratcliffe

Dance

Kabuki

Sadler's Wells

The last time Kabuki was seen in London, in 1977, it was led by Ichikawa Ennosuke III and it was obvious he was already a master. By combining a scholarly respect for the ancient traditions of the form with a theatrical command of the modern stage elements, from lighting to design, he has become the most important Kabuki actor in Japan and the items he has brought on his return to Sadler's Wells reaffirm and amplify his great skills.

He has not settled for the easiest of pieces, nor for those that might concentrate on the spectacular, pictorial elements of the form into a short dose of colourful exotica for the London audience. The two items instead offer a range of challenges and subtleties and they are accessible through consummate acting skills, impeccable musical support and a particularly rich vision of the stage picture.

Renjishi is the opening piece, a Kabuki dance derived from the Noh theatre. Against the backdrop of 13 musicians, two actors tell how a father lion pushes his son into a ravine to teach him survival. The father's anxiety presents Ennosuke with an opportunity to project the most tender emotions throughout the theatre, but the piece assumes an extraordinary measure of spectacle when the spirits of the legendary lions take over, with a glorious change of costume and thrilling rhythmic dances. Ennosuke's partner in this is Ichikawa Danshiro IV, another greatly talented actor who becomes Ennosuke's antagonist in *Shunkan*, from the play by Chikamasa. With sword and staff narrative and exchanges of speech, it is nearer to the ordinary idea of Kabuki. But that idea can make little preparation for the last five minutes of Ennosuke's performance, an extraordinary physical demonstration of emotions designed to haunt the spectator forever. It should be seen, at all costs.

Ned Chaillet



Jeremy's many irons in the fire

Pictured is Jeremy Irons, the star of the moment, as photographed recently by Lord Snowdon. Last night he appeared in the second part of Granada's 11-part adaptation of Evelyn Waugh's *Brideshead Revisited* in which Charles Ryder, the character he plays, spent an idyllic summer at Brideshead with Sebastian Flyte and Lord Marchmain. (Laurence Olivier).

Brideshead, at £4.5m the most

expensive television serial ever made, has so far proved a hit with the critics but Granada is waiting edgily for the end of the week when viewing figures will finally be released.

Meanwhile Irons is also starring in *The French Lieutenant's Woman*, a film by Karel Reisz, which has also been widely acclaimed by the critics. He is currently sifting offers for his next project but his only firm plan at the moment is *Betrayal*, a

film version of Harold Pinter's play produced by Sam Spiegel, which will start filming in London in March next year. As in *Brideshead*, *Betrayal* will require the 33-year-old Irons to age.

Commenting on the reception accorded to *Brideshead*, Irons said: "It brought a great sense of relief and a great sense of excitement. I am proud of it and thrilled by the reception. It was delightful, like giving birth to a beautiful baby."

Sponsorship

Why business wants a seat in the circle

The growth phase of public funding of the arts has ground to a halt. The best hope now is that Government finance will at least mark time, though real cuts seem more likely and indeed are currently dreaded almost daily.

But the arts' hunger for cash is undiminished and steadily made more painful by the fact that their costs almost invariably suffer a more punitive rate of inflation than the rest of the economy. Against that background, commercial sponsorship is rapidly being buried, while companies are showing a remarkable willingness to invest in what IBM grudgingly calls a Cultural Sponsorship Programme.

The latest indications for this year suggest that companies will put £5m into the arts, against £5m last year, and £600,000 in 1976. It is still small compared with the Arts Council's £80m or the total Government arts budget of £180.7m but the key point is that it is growing rapidly and its application is becoming increasingly sophisticated.

Sophistication has also spread to the recipients of the cash. It is no longer disquieting for companies or audiences to discover that a performance of *King Lear* has been underwritten by profits from computers, that sherry consumption may be financing a piano recital or that smoking and opera are inextricably linked. The faint wiff of the grotesque which used to accompany commercial sponsorship or the arts has been dispelled.

The sense of grotesquerie arose from a particularly English puritanism which finds it difficult to reconcile

marketing and the sublime: the greatest statement of this difficulty was the National Theatre's disclosure that it had turned down £750,000 worth of sponsorship earlier this year because "it seems to us wrong to be in a position where we had to have private sponsorship to do the job we are paid to do by public money."

But financial pressures have rendered such fastidiousness outdated; meanwhile the Government has taken to sipping the pill of public spending cuts in this area by making encouraging noises about commercial sponsorship.

The fact that commercial money is available at all in the depths of recession is possibly surprising. But the characteristic sponsors — banks, insurance companies or retailers — are generally those least affected by cash flow crises while tobacco and drink companies are now sufficiently committed to the idea to prevent any sudden cancellations.

Most of the established sponsors now appear to be roughly improving their contributions in line with inflation, rather than taking new initiatives. The growth in the market is being generated

partly by new companies joining in and partly by the rapid expansion of the related fields in which money can be spent. Thus a sponsored concert can lead to a sponsored season which in turn can lead to a sponsored set of records.

A fully commercial entrepreneur, bringing together money and talent

With the exception of commercial patronage, in which companies like Guinness and Marks and Spencer give money as part of their perceived communal duty rather than for public relations, company money is spent to promote the company. "We don't do this because we like the arts", commented one faintly weary executive. In the most typical case a big prestigious opera performance provides a big prestigious corporate image for the company whose name is above the title.

Straightforward cheque-signing for the blockbusting of the performing arts remains the type of sponsorship of which most companies first

think. But vast parties of company guests pouring in late after the interval have regularly negated any good will as far as the audience is concerned. On the other side the arts companies have always felt that such random beneficence is unpredictable and therefore damaging to any long-term planning.

It is in these edgy areas in which people like Luke Rittner and Bill Kallaway have been working to improve communications and understanding. Rittner is director of the Association for Business Sponsorship of the Arts which is funded by its corporate members, while Kallaway is a fully commercial entrepreneur bringing together money and talent.

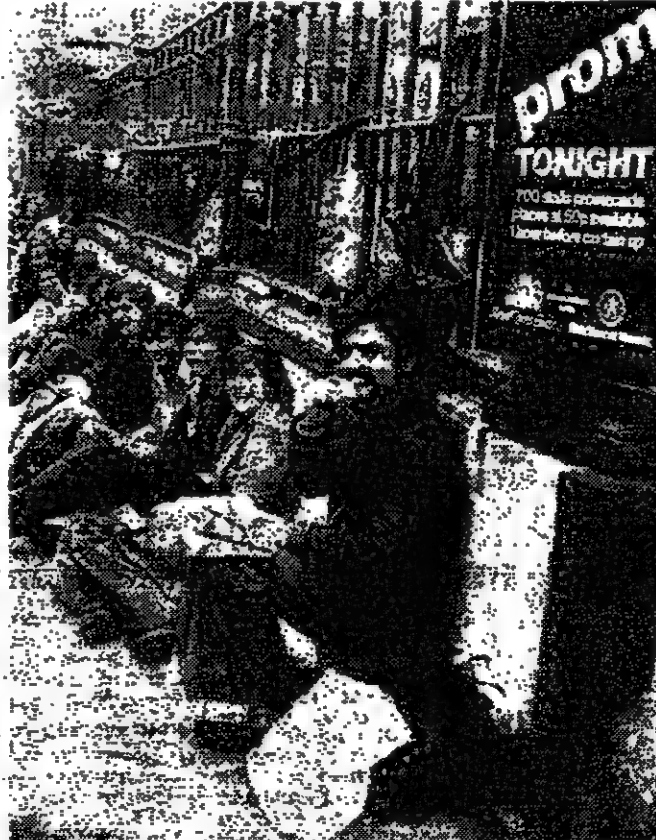
To the accusation that commercial money is spasmodic Rittner's response is that all money is spasmodic. Knowing whether a sponsor is available may well be as impossible as knowing whether tickets will be sold. Meanwhile corporate insensitivity is gradually being overcome by increasing maturity in a field which is still less than a decade old in this country.

"Of course in an ideal world," he said, "Patrons would be a better system. But sponsorship means we can put up an arguable case for a company as to why it should back the local theatre or whatever."

From the arts side Rittner is also observing and encouraging a less apathetic attitude towards sponsorship by the organizations. Public subsidy has made many of them narrow minded about sources of finance but gradually, with the appointment of full time employees searching for sponsors, they are waking up to the potential and accepting the extent to which the sponsors can justifiably specify precisely the performance with which they wish to be associated.

The danger is, of course, that the whole sponsorship market may mature to the point where arts organizations simply become extremely elaborate advertising vehicles. Kallaway insists this is not happening.

"Companies want to be supportive rather than dominating," he said. "We have never had any person who



Young promenaders queue outside the Royal Opera House before one of the special Proms performances sponsored each year by the Midland Bank.

wants to change artistic ambitions at all."

But what is happening — and mutterings throughout industry and the arts suggest this may be the dominant trend of the future — is that sponsorship is increasing in what Kallaway calls "objectivity".

By this he means that sponsors are linking product and sponsored performance more closely — he pointed to the Segovia International Guitar Competition backed by the Spanish Sherry producers. But the real point is that recessionary pressures on cash are forcing companies to look more closely at what their sponsorship achieves. This more corporate image-building is now falling out of favour and there is an unacknowledged drift of control of arts sponsorship from public relations to marketing departments.

This will result in product rather than company-linked promotions and may prove slightly more distasteful to the recipients. But finally the fairly cautious way in which companies have entered the field means that sponsors are scarce so they retain the dominant position in the market equation: it is the artists who have to seek out the sponsors rather than the reverse. While that is the case attempts like last year's plan from Norman St John-Stevens to persuade the banks to form a £500m fund for the arts will continue to founder. Such a plan is seen as merely submerging the hard commercial edge of the deals and turning the companies into anonymous donors and, high-minded though that may seem, it is not the game they are currently playing.

Bryan Appleyard

Concerts

Models of composure

Pollini

Festival Hall

Fond as he is of mixing modern works with standard repertory, Maurizio Pollini can rarely come up with a programme as exciting and apt as that he gave on Monday night. He began with Beethoven, choosing two of the middle-period sonatas whose deep earnest boldness and impatience could then be turned in the many mirrors of Webern's variations, to yield, finally, the second sonata of the young Boulez. Or looked at another way, here were two titans held apart by an angel.

There was, though, more than a touch of quivering angelic radiance in both the Beethoven and the Boulez, a feeling of strife and vigour taken up into a wholly mental sphere. Sometimes it was a case of opposites held in perfect, tense unease, as in the slow movement of the "Tempest" sonata, with its parallel streams of stark funeral tolling and nervously supplied melody. Sometimes a very fast tempo, as in the first movement of the "Waldstein", yet gave an impression of complete physical stillness, just as a gas flame is the stable image of a racing flow of energy.

Perhaps, too, it was the tireless wrestling of the Boulez that contrived to make the Beethoven sonatas seem in retrospect models of composure. Again the fight took place in the mind, as is entirely proper. Boulez's insistence that so-called "expressive" nuances should be avoided is surely not a declaration of emptiness but rather a challenge to the performer to touch levels hidden behind the easy conventional emotion. This Mr Pollini did. Playing most remarkably from memory, he communicated all the intellectual effort of grappling with what cannot be understood, of questioning and questioning again without any hope of there being a coherent answer.

His view beyond mere violence and outrage was especially welcome.

Paul Griffiths

City of London Sinfonia/Hickox

Queen Elizabeth Hall

The virtues of conservatism might have been the theme for Monday night's City of London Sinfonia concert: an imaginative coupling of the music of Gerald Finzi and Nicholas Maw. The label should not be taken pejoratively; neither composer would claim, or have claimed, to be in the avant garde, but each has enriched his tradition with works of integrity and bearing a personal impact. Finzi is best remembered by *Dies Natalis*, a skilful and moving setting of poetry by Thomas Traherne portraying vision of innocence dear to Finzi's heart. The cantata is generally performed with a solo tenor; here the soloist was the soprano Anne Dawson, at only 22, the winner of several prizes and surely on the verge of an exciting career. The unusual beauty of her voice and enchanting stage personality seduce her audience, so much so that one does not at first notice the unvaried tone colour and dynamics. Nevertheless there is a deep music waiting to be brought out here.

Nicholas Maw's *Life Studies*, a series of eight pieces for 15 solo strings, was acclaimed at its appearance a few years ago as heralding a new development in the composer's style. Depending neither on conventional sonata structure nor a single tonal centre, the studies evolve their own inner logic by their dramatic coherence and by the sheer forcefulness of their argument.

The City of London Sinfonia under Richard Hickox did justice to the music in their performance of *Studies* numbers 2, 7 and 8.

Other Finzi pieces, the *Eclogue Op. 10* for piano and strings, and the *Clarinet Concerto* were given superb performances by David Perrett and Michael Collins respectively. With these players at 20 and 19 years of age it was very much an evening for outstanding young talent.

Barry Millington

Theatre

The Catch

Royal Court Theatre Upstairs

Nick Darke's short piece follows Paul Copley's *Tapster* as another exercise in studio theatre provincialism. For anyone coming fresh to this genre, its distinguishing features include uncompromisingly authentic local dialect, microscopic naturalism, and a preoccupation with the delayed impact of malnutrition on the remotest backwaters on the map. The usual message for any pastorially-inclined metropolitan spectator is that he is better off where he is than in some benighted village or desolate rain-lashed headland.

The *Catch* takes place somewhere on the West Country coast in the ramshackle house of a middle-aged fisherman called Swiddle who has been driven into casual trading by the declining catches. The "bastards" who are never off his lips in the first scene seem to be French invaders of the 12 mile limit. And evidence of Swiddle's defeat is strewn around Chris Townsend's stage in the crates of bone china, second-hand books, gonks, and cheap electric fans.

Other casualties of the vanishing mackerel shoals are Swiddle's smoulderingly discontented younger daughter Thelma, and his unsatisfactory son-in-law Lesdwell — nominally a life boat cox who puts more time into handling hot goods and playing in pop music gigs than he does into safeguarding the coastline.

All three agree that they are living in a dead place. "I wake up in the morning," says Swiddle, "and put my blunkers on... I walk down the street and see the useless ornaments." But there are different degrees of capitulation to the bombardment of trash. Thelma holds on indignantly to what is left of the seafaring heritage, pouncing

indignantly on her father for trading the family's nautical instruments for a crate of china. Lesdwell has renounced the past entirely. Swiddle remains stranded between them, compromised but not yet fully corrupted, and the play's action puts him to the test. He is offered a consignment of cocaine, which he first agrees to hold as a middleman, and then destroys.

Am not sure what that proves, but it is the manner in which he does it that counts. He slices into the packet with an axe and then blows the contents into oblivion with one of the electric fans. Mr Darke, having assembled stage-full of junk, profitably enlists it in the story-telling.

He also introduces a sardonic little puppet play with the crate of gonks, and gives the frustrated trader a good china smashing scene.

The story is also strengthened by the presence of the unseen figure of Gogo — a newcomer who has livened up the town in more ways than one; and who supplies the structure for another well organized scene where the cocaine-dealing father and his pregnant daughter are both trying to make a secret phone call to the man who has landed both of them in a mess.

Otherwise, apart from the sheer thickness of its dialect, the play is needlessly opaque. Essential plot points are buried in superfluous detail, motives change for no clear reason, and there is a prevailing uncertainty of what the characters want. The play sits on the stage like a heavy weight which it is beyond the playwright's energy to raise and animate. I am in no position to dispute the authenticity of the performances of Mike Grady, Tom Watson, and Frances Low, but if it was the intention of Mr Darke and his director, Roger Mitchell, to bring this hidden bit of England into well-focused close-up, they have not succeeded.

Irving Wardle

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THE WORKERS HAVE IT

The sale of the National Freight Corporation is not the most important bit of Mr. Lawson's privatization package, but it is the most interesting, and the bit that can be welcomed with fewest misgivings. The corporation's employees, management and workers, are being given the opportunity to acquire a stake in this company, the major responsibility for it. The deal represents one form of structural remedy for a besetting weakness of British industry at large: a negative attitude among large sections of the workforce towards the prosperity of their enterprise.

The form of sale may have been less the result of idealism than of a manifesto commitment to sell off the Corporation which fell on stony ground when a share issue on the market came to be considered. The management buy-out became the convenient way out. But whether by accident or design a good deed has been done. And this is a particularly welcome experiment.

Management buy-outs, common in the United States but slow to develop in Britain, have recently burgeoned in this country as large companies have wished to rid themselves of subsidiary activities and as conglomerates have collapsed. Anasofne and Hornby are two recent examples of the trend.

The National Freight Corporation is by far the largest example so far, involving £80m of bank money and up to £5m of capital from management and workers on current plans. It has the added attraction that it is providing a new route for a state corporation that builds

on the loyalty and commitment of its staff and gives those who have helped to build the company a chance to control its launch into the heavy seas of the free market. The encouragement of workers to take shares in the British Aerospace issue and the announced intention to give employees preference in the proposed bond issue for British Telecom is part of the same drift.

One should be careful of writing too idealistic a prescription for Britain's industrial woes. The situation at NFC is a particular one. The banks have undoubtedly taken an especially benign view partly in answer to the political pressure they now feel upon them over their lending practices to industry. There are distinctions to be drawn between hoping to motivate employees by encouraging them to take shares, as in the case of British Aerospace, selling largely to the management with some participation by the staff, as in the case of National Freight, and the fuller blooded cooperatives encouraged by Mr. Tony Benn at Meriden and Kirkby or the long-established democratically run partnership enterprises such as Scott Bader.

The National Freight plan is not a sale to employees as such. It is a purchase by the managers, who still have to stump up the cash, funded by the banks, which have agreed to take only a relatively small equity interest in the concern, and accompanied by an offer of shares to all employees. The 25,000 staff still have to make their own voices heard amidst conflicting union ad-

vice and have still to decide whether they, whose jobs are at risk, dare also risk their cash. Nor does it form a pattern which other nationalized groups can easily follow. National Freight holds a small share in a transport market dominated by highly competitive small outfits. The plan provides one hope for the future where the company can continue with a new lease of life freed from government involvement. It cannot be said that services like the Post Office or British Rail, where the scale and the uncertainty of profit discipline confuse loyalties, could easily travel this route. Selling off oil, the British National Oil Corporation, creating competition for gas sales, come into entirely separate categories of the denationalization argument.

The point of the National Freight plan applies equally to large companies which are breaking up or private enterprises which are collapsing. In so severe an economic climate as Britain's, enterprises desperately need the commitment of enthusiastic management and staff, whilst avoiding either the heavy-handed participation formulae of the Bullock Committee proposals or the tragedy of the co-operative such as Kirkby, where workers' enthusiasm came too late to overcome market disaster. Staff buy-outs are one avenue, given City help. They suggest a form of denationalization which should be at least considered for a whole range of state enterprises from pits or pit areas of the National Coal Board to particular subsidiaries of British Steel.

UNGODLY RULERS OF IRAN

Amnesty International announced last week that at least 3,350 people had been executed in Iran since the revolution of 1,800 of them since the dismissal of President Bani-Sadr on June 20 this year - and that it had asked the Iranian authorities to admit a delegation in the hope of persuading them to stop the executions, or at least to ensure that the accused received a fair trial. This announcement seems to have touched Ayatollah Khomeini on a surprisingly - one might say encouragingly - raw nerve. On Sunday he devoted several minutes of an address to members of Iran's Parent-Teacher Association to denouncing "these international organizations - Amnesty International - which have asked to visit Iran and see the executions", accusing them of being "affiliated to the diabolical powers", aspiring to "crush this Islamic movement and, thus Islam" and so on.

The sad fact is that any report of less than a hundred executions on any given day in Iran scarcely ranks as news any longer. The terror in Iran has become the norm rather than the event. As such it makes fewer headlines and provokes fewer editorials. But it would be very unfortunate if anyone in Iran, whether in government or in opposition, or merely caught between the two, got the impression that public opinion in the West was indifferent to what is happen-

ing in Iran, now that the American hostages have been freed. Clearly the execution of Iranians by Iranians does not raise the same kind of international issue that the hostage-taking did. The last thing any Iranian should want would be further foreign intervention in Iran's internal affairs. It is not our job to overthrow the Khomeini regime, but equally we must be careful not to give the impression of actively condoning it or prolonging its life.

That is the impression which, rightly or wrongly, some Iranians have derived from the relative silence on the subject observed by Western governments and, to a lesser extent, news media, from the continued pursuit of commercial opportunities in Iran by European business men (apparently encouraged by their governments); and from opinions voiced in various influential Western quarters to the effect that (a) the present "Islamic" regime is preferable to communism, which would be the most likely alternative, and/or (b) the regime, even in its present form, will drift ever closer to the Soviet block if it is rebuffed by the West.

Such opinions are indeed held in influential quarters, including the United States State Department, whose officials (recognizing that any kind of friendly relations between America and Iran are impossible for the time being)

have been urging European governments to do what they can to make up for this. The dangers they refer to are real. They were foreseen at the time of the hostage crisis by some Iranians, including those around President Bani-Sadr, who favoured a genuinely non-aligned position for Iran in world affairs. Some of them suspected, indeed, that the hostage crisis had been engineered precisely for the purpose of isolating Iran from Europe and other potential trading partners and forcing her into the Soviet embrace. There was a strong argument at that time for seeking to help such moderates by not cutting off all ties with Iran. But those moderates have now decisively lost the power struggle within the regime.

It can hardly be doubted that the majority of Iranians are by now thoroughly sick of clerical rule. The regime's policies have brought anarchy, terror, war and now growing economic deprivation as oil sales dwindle and foreign currency reserves have to be more and more stringently rationed. Many of those who most bitterly opposed the Shah concede that the Islamic dictatorship has now far surpassed the bestiality of his reign. The West earned the enmity of too many Iranians by being too closely associated with the Shah. We should leave to the East the odium of being associated with the "Iman".

MR ALDERSON'S PASSIVE RESISTANCE

Two points of some importance for this age of civil protest come out of the judgments in the Court of Appeal in the dispute between the Central Electricity Generating Board and the Chief Constable of Devon and Cornwall. The dispute arose out of a survey the board is doing of a site at Luxulyan in Cornwall, which it has picked as one of several possible sites for a nuclear power station. Protesters arrived and one way or another have been passively obstructing the survey for six months. The board wants the assistance of the police in clearing the obstruction. The Chief Constable has been reluctant to intervene.

The first point of importance is that the Chief Constable misdirected himself when he concluded that he had no clear lawful authority to remove from private ground protesters who were wholly passive and were not offering physical violence. They were committing a minor offence under the Town and Country Planning Act 1971, that of wilfully obstructing servants of the board in the exercise of their powers. But it is not an arrestable offence; nor, in the opinion of the senior police men who went down there, had the protesters committed a breach of the peace, nor was there a reasonable apprehension of it. From that the Chief Constable concluded that his men should maintain their "low-key presence" in the

absence of "a more definitive legal mandate".

That more definitive mandate has now arrived from the Appeal Court. The protesters' criminal obstruction is itself a breach of the peace. "There is a breach of the peace whenever a person who is lawfully carrying out his work is unlawfully and physically prevented by another from doing it" (Lord Denning). And "physically" does not mean only by a show or threat of violence, but includes the tactics of passive resistance, sitting, lying down, chaining oneself to this or that. Lord Denning added for good measure that the protesting groups are "without doubt" guilty of a criminal conspiracy and probably also guilty of unlawful assembly. Lord Justice Lawton posed the question whether those who disapprove of the exercise of its powers by a statutory body can frustrate their exercise on private property by adopting unlawful means not involving violence, the means of passive resistance. "The answer is an emphatic 'No'. If it were otherwise there would be no Rule of Law." All this goes very wide and may need later qualification. Meanwhile it amply covers the facts of this case.

The second important point to emerge is that the Court did not, as it was invited to do, direct the Chief Constable in the performance of his duty; and it is clear that it would be very slow to do so in similar cases.

Again to quote Lord Denning, "It is of the first importance that the police should decide on their own responsibility what action should be taken in any particular situation". The independence of chief constables in operational matters is respected (councillors please note).

One can infer from the evidence in these proceedings that Mr. Alderson's doubt about lawful authority was not the consideration uppermost in his mind when he decided that his men should maintain their "low-key" presence and not, as requested, put an end to the obstruction. He was concerned not to jeopardize the fruits of his method of community policing - excellent relations with the general body of citizens - by appearing to intervene on the locally unpopular side of an inflammatory issue. He has now been told very clearly that he has lawful authority to clear the obstruction, and the judges have not concealed their opinion that he has a duty to do so. But the court has not interfered with his discretion, which means that it is up to him, in discussion with the generating board, how and by what stages he is to proceed. A public wider than Mr. Alderson's has a right to insist that the unlawful obstruction of a statutory body be brought to an end, and he can surely devise a way of doing it that does not defeat the admirable objectives of his characteristic policeman'ship.

Initiatives for disarmament

From the Secretary of the Methodist Conference

Sir, The tendency to don labels and to make black and white distinctions between what are seen to be opposing policies can sometimes obscure an important truth. The present polarization between those who espouse the cause of unilateral disarmament and those who plead for unilateral action is a case in point.

In the aftermath of the tragic death of President Anwar Sadat many have praised his courage in making the historic journey to Jerusalem which initiated the Middle East "peace process". I myself travelled to Cairo nearly three years ago to present the annual peace award of the World Methodist Council to President Sadat. But that award was made in recognition of a unilateral action which, notwithstanding all the efforts to achieve peace in the Middle East, opened up an era of new possibilities.

The lesson of this is plain: there is little likelihood of progress on the multilateral front without some willingness to undertake unilateral initiatives. The test of real statesmanship today is the readiness to contrive and then to take the unilateral steps that will deliver us from the political impotence that allows the monstrous and idiotic arms race to escalate. Amidst all the ballyhoo of party conferences and political argument wise men will listen to the words of a peace-loving leader to discover the leadership that such a time as this demands.

There is another consideration. If President Reagan and President Brezhnev undertook to appear together at next year's special session of the United Nations Assembly on disarmament with mutually agreed proposals for the reversal of the appalling arms build-up in which their governments are engaged, it would be a bilateral action of immense potential. I have written to them to suggest it.

Yours sincerely,
KENNETH G. GREET,
The Methodist Church Conference Office,
1 Council Buildings,
Westminster, SW1,
October 15.

From Mr. Nicolas Walter
Sir, Clifford Longley's article (October 13) about the religious aspects of the campaign for nuclear disarmament is misleading. He distinguishes between the "secular, CNIP/political way of discussing nuclear war" and the "religious way" of discussing it, and explains that the "secular" argument is a practical one based on self-interest and concerned with the risk of nuclear war to our own people, whereas the "religious" argument is a theoretical one based on morality and concerned with threatening destruction to other peoples.

In fact there are pragmatic and dogmatic, egotistical and altruistic, and both sides of the secular/religious divide. It is significant that the humanitarian individuals and organizations coming out in favour of nuclear disarmament, as most humanitarian do, do so for moral as much as for practical reasons, concerned with the common fate of all peoples. The only difference between the motives and the notions which mark the two positions is, say, the Methodist Conference and the Society of Friends on one side and the British Humanist Association and the National Secular Society on the other is the religious or naturalistic assumptions behind the arguments, not the arguments themselves. On this issue, as on so many others, religious and non-religious people find themselves working together and for much the same reasons.

Yours, etc.
NICOLAS WALTER,
New Humanist,
88 Islington High Street, N1,
October 19.

Sir Roger Hollis

From Sir Martin Furnival Jones and Sir C. A. G. Simkins

Sir, Up to the time we retired in the early 1970s there was no shared evidence that Sir Roger Hollis had been disloyal at any time or in any way, let alone evidence that he was a spy (reports October 16). Moreover, throughout his career his positive contribution to security was outstandingly valuable and his wartime record makes ludicrous any suggestion that he might have been sympathetic to the USSR.

We both worked closely with him for many years and were intimately concerned with the investigation of his background and his subsequent interrogation. We are wholly convinced of his innocence.

Yours faithfully,
E. M. FURNIVAL JONES,
C. A. G. SIMKINS,
The Little House,
Oakley,
Bedford,
October 16.

Medical aid for Poland

From the Apostolic Delegate to Great Britain and others

Sir, The plight of Poland is still in the news. After the recent visit of one of the undersigned (Judith Listowel) to the Gdansk District Hospital and the Gdansk Medical Academy Hospital which cater for a large area of northern Poland, she found the following heart-rending situation: neither of their two electrocardiograph apparatuses are in working order, there is an extreme shortage of surgical gloves; no disposable syringes or needles for single use; no wound dressings; faulty oxygen masks and no monitoring or anaesthetic

Government and BL pay dispute

From Mr. D. J. Buckle

Sir, There are some additional points to those set out in Mr. Armstrong's letter (October 17) about the current situation within BL Cars which I would like, with your permission, to add.

To those of us who have been involved with the company for many years, and particularly the past three, the decision to reject a 3.8 per cent offer and threaten a strike came as no surprise. Indeed, many of us have been warning management for several months that they were on a collision course if they continued with their policy of industrial and moral blackmail every time they wanted important changes.

They have never attempted to convince employees of the need to change, or to win their hearts and minds. It has always been a matter of "we will or we will be sacked". For a time that works, but not for ever. The now famous letter, with its threat of total closure, was the last straw for many, because it took away their self-respect. There can be only one answer to blackmail.

It seems to most employees the company is not interested in framing a policy in which genuine negotiations can take place on a mutually acceptable basis. Even when replying to the recent pay claim they said their offer on basic rates was "non negotiable".

Early in Mr. Armstrong's letter he paid tribute to the efforts of employees and Sir Michael Edwards has also praised them for increasing productivity by 30 per cent and that eight men on new production facilities are doing what previously 80 men did. Since the strike the labour force has been reduced by 40 per cent. Yet later in his letter he says "we cannot fund more" than 3.8 per cent.

WRP and Youth Training

From Miss Vanessa Redgrave

Sir, Contrary to statements made by Mr. David Alton, MP, in his letter and article respectively published in *The Times* on April 18 and July 8, 1981, the Workers' Revolutionary Party and Youth Training have in no way been involved in or sponsoring riots in Toxteth, Brixton, nor in any other city.

My party is absolutely opposed to looting, making Molotov cocktails, smashing homes and shops, and the sabbing of policemen. Such violent acts have nothing to do with the struggle of trade unions nor the political fight for socialism. I have in my possession a letter written on behalf of the Central Committee of Derbyshire acknowledging the entirely non-violent nature of the Workers' Revolutionary Party.

My party and our youth, the Young Socialists, initiated the campaign for youth training, and we share the view of the majority of people who really care about the jobless, unskilled youth. We all know that youth cannot live and develop on ideas. Youth can only develop when they can learn a skilled trade, and can apply and develop their skill in work which benefits both them and the community. Youth Training is a non-profit making organisation which has applied for charitable status and is non-political.

Far from "preying off the frustrations of our young people", Youth Training was established to reduce such frustration by providing in the areas

of greatest need an opportunity for youth to acquire skills which will assist them in gaining employment in modern industry. This is precisely why the first Youth Training centres were set up in Brixton, Liverpool and Glasgow.

Our aim in Youth Training is to provide the best professional training in mechanical engineering, electronics, dressmaking and other crafts, as well as drama, painting and music for jobless and/or unskilled youth, or youth who need to continue training, between the ages of 16 to 22. With the advice of trade unions and local employers we aim to issue proficiency certificates for the youth who pass appropriate tests.

We will work with everyone who wants to establish Youth Training centres. The hundreds of thousands of jobless, unskilled youth today desperately need a skill and a job before they can become interested in any political theories or cultural Youth Training is non-political therefore, just as eating, drinking, breathing clean air and sleeping are non-political. These are necessities of life. Centres are necessary if our centres in Brixton, Liverpool and Glasgow show in a modest way what can be done wherever there is the will to do it.

Yours faithfully,
VANESSA REDGRAVE,
Chairman of Youth Training,
Member of the Central Committee of the Workers' Revolutionary Party,
218 Old Town, SW4,
October 13.

Such polarization, however, will bring benefits. At least political hubbub and hypocrisy is exposed and at least we realize that the recently renewed Glenageary agreement is a worthless treaty, for now that double standards are part of the game, the attempt to play fair may as well be abandoned.

The International Cricket Council have now only one option: they should recommit South Africa to the international arena as their own fact-finding mission of 1978 recommended, and make the decision known to the governments of participating countries. One speculates as to the reaction and whether genuine financial need and sporting intent will override a moral stance that will result in an isolation enjoyed at present by South Africa itself.

Yours faithfully,
JOHN CARLISLE,
House of Commons.

included 350 Ethiopian manuscripts which, as a result of the museum's recent reorganization, now form part of the British Library.

Your article asserts that it "would call an Act of Parliament" to force the museum "to part with any of its items". It is interesting to note that when Theodore's successor, Emperor Yohannes IV, wrote to Queen Victoria in 1872 to request the return of one of the looted manuscripts the Foreign Secretary gave the appeal his blessing, and the museum trustees expressed "great pleasure" in according to it.

Yours etc,
RICHARD PANKHURST,
22 Lawn Road, NW3,
October 19.

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Board inspections of prisons

From the Chairman of the Board of Visitors, Winslow Green Prison, Birmingham

Sir, With reference to the letter (October 17) from Messrs Cogan and Pooley, of PROP, the facts are that every week of the year at least two members of the Board of Visitors do visit the prison. Members of my board do demand from any member of the staff from the Governor downwards that all parts of the prison and all prison records are open to them.

We do not announce the time of our visits and these may take place at any time of the day and at night.

An annual report is given to the press, radio and television quite independently of the Home Office and is freely commented upon.

Yours faithfully,
G. L. THORPE,
H.M. Prison,
Winslow Green, Birmingham.
October 17.

From Mr. Louis Blom-Cooper, QC
Sir, Messrs Cogan and Pooley (October 17) are surely right in asserting that boards of visitors, which by statute supervise our penal institutions, have not hitherto made a very good showing, whether in eradicating petty violence in prisons or when confronted with major incidents like the death of Barry Prosser in Winslow Green Prison, Birmingham.

Boards have the power to speak publicly and to publish the annual reports they are obliged to submit to the Secretary of State. Members of boards of visitors are obliged to visit regularly, on a rota system, every part of the prison, and are entitled to visit the prison at any other time, unannounced. They can interview any prisoner out of the sight and hearing of prison officers, and they have a statutory duty to satisfy themselves as to the administration of the prison and the treatment of prisoners. These powers are extensive. Yet a prison governor told last month's Howard League Summer School at Bristol that in his experience boards of visitors let the prison service off far too lightly by declining to exercise their powers to the full.

Many of the major recommendations in the report of the Jellicoe committee (an unofficial committee jointly sponsored by the Howard League, Justice and Nacro (National Association for the Care and Resettlement of Offenders)) have not been implemented, notably separating the boards' disciplinary functions from that of public watchdog, advertising the opportunity for public service, and, not least, changing the confusing name of "boards of visitors". The recent establishment of a voluntary association of members of boards of visitors (Ambovi), wholly independent of the Home Office, has been a most welcome development in penal affairs. Boards of visitors could become important bodies, providing the prison system with an independent element so vital to ensure adequate safeguards against misconduct in, and mismanagement of, our prisons.

Yours, etc,
LOUIS BLOM-COOPER,
Chairman, Howard League for Penal Reform,
Goldsmith Building,
Temple, EC4,
October 20.

Open churches

From Mr. Noel Brandon-Jones

Sir, A gallant exception to the sad tale of locked churches has been the small medieval church of St. Clement in Norwich. Declared "redundant" by the diocesan authorities but, unlike most other such churches, happily not plundered of its furnishings, St. Clement has for the last three years been kept open 24 hours a day, as a place for prayer and contemplation, through the devotion of the Reverend Jack Burton, a Methodist minister who earns his living as a bus driver and has cheerfully taken upon himself the burden of raising the rental and insurance cost of nearly £1000 a year required by the Norwich Historic Churches Trust, set up to take responsibility for the redundant churches of Norwich.

Incredibly, the trust is now threatening, in order to secure a higher rental from a commercial firm, to terminate what one would have thought to be the most perfect use possible for a church that has become redundant only in terms of parochial organisation.

Yours faithfully,
NOEL BRANDON-JONES,
Redwater House,
Barton Turf,
Norwich,
October 16.

Bridling at Brideshead

From Mr. Allan Todd

Sir, Like Mr. d'Antal (October 15) I was a sergeant-major in 1941 and I confess to my shame that I failed to notice the anomalies he spotted in *Brideshead Revisited*.

I was also a contemporary of Charles Ryder and Lord Sebastian Flyte at Oxford. I must say I don't remember seeing my fellow undergraduates in ordinary day attire wearing stiff collars, and while they wore gowns to lectures, etc., they did not wear mortar boards. I didn't see Lord Sebastian or anybody else carrying round a teddy bear in public, but perhaps this practice was confined to the precincts of the House.

Yours truly,
ALLAN TODD,
Setlands,
St. George's Lees,
Sandwich,
Kent.
October 15.

Sri Lanka

A Special Report to mark the state visit by the Queen and the Duke of Edinburgh which begins today

Sri Lanka's brave new era is almost four years old. The daring and ambitious changes made under the leadership of President Jayewardene have revolutionized the economy and made profound changes in the political structure and the outlook and expectations of the people. The price, however, is high. The new road may be exciting, but it is also rocky and risky.

The President himself makes no bones about the economic difficulties. He sees no point in softening them for mere political reasons. He believes most of the 14.8 million people of the country are realistic enough to face the truth, hard though it is. Those who are not, he thinks, have to come to terms with the painful aspects of policies designed to build a better society. He sees no benefit in offering people a flimsy umbrella in the gale.

The course he has charted is irrevocable. In the pre-Jayewardene years, a largely nationalized, protectionist and administered economy had grown stagnant. The United National Party Government elected in July 1977 changed everything with a bold sweep. Backed by the International Monetary Fund, the country embraced a policy of growth in free-market economy.

There was an astonishing surge of activity, of spending, buying and developing, as the country burst from the economic hatches under which it had lived for nearly 30 years.

Developments are on the grand scale. Housing has been mushrooming and the harnessing of the Mahaweli River, one of the world's great hydraulic projects, which will irrigate dry land and provide cheap electric power, has been telescoped from a 30-year programme to an eight-year one. The establishment of the new economic order has been characterized by a sense of urgency and vigour.

But it has also been marked by its sheer scale, its ambition and the element of risk, which makes it vulnerable. Sri Lanka has been badly hit by world economic forces, the price of oil most of all. The cost of living is making people increasingly anxious. Inflation has been soaring to 40 per cent and the balance of payments is seriously awry;



Buddhist monks line the road during the Colombo Perahera, a religious festival.

the Government almost lost control of public expenditure in the past year. The IMF and the Government had a run-away on their hands. Today the reins are being tightened, but perhaps not hard enough.

The President is being warned by advisers of something he knows well, that the cost of living is a crucial electoral consideration in a country with a large proportion of poor people. But while he is retaining the food stamps which aid the half of the population which earns less than £8.50 a month, he will not return to a system of general subsidies. He believes there is no alternative to the new policies, that voters will respect his realism and honesty when he tells them there is no quick panacea... but that in the end the policies will work.

The people, he says, can change the Government and the President. He says this not in any arrogant or take-it-or-leave-it fashion, but in an earnest way, a reminder that whatever else, Sri Lanka is a political nation. The people are keenly aware of issues, strongly attached to the democratic idea. They are among the best-educated and most literate of Third World communities and this year celebrate 50 years of full adult franchise, something they achieved only three years after the British. They are well-practised in voting governments out.

During its years of reconstruction in opposition, the United National Party and Mr Jayewardene planned a new political framework as well as economic revolution. Swept to office with 140 of the 168 parliamentary seats the UNP reformed the Constitution to introduce a proportional representation and an executive president. The UNP view was that the country needed the continuity of governments living on a full term, or two, and of an executive president serving for six years. Government and presidency are separate and the president cannot veto legislation. Emergency powers, like public finances, are subject to parliamentary control.

The creation of an executive presidency, with constitutional checks to prevent abuse of power, has attractions in a young developing country like Sri Lanka. The quality of the institution, of course, lies in the ability of the incumbent and therein, perhaps, is a future weakness. For the time being, however, Sri Lanka has an able leader. President Jayewardene is the most experienced politician in the land, skilled in balancing the inadequacies, strengths and aspirations of social and political interests. He saw to it that the UNP gave up the lower castes and the traditionally disadvantaged a place nearer the sun. He is above all a pragmatist.

On a personal level his integrity is unquestioned and respect for him is enormous. His reputation abroad was established with his passionate speech at the Japanese peace treaty conference 30 years ago. He has been a leader of the non-aligned movement, and non-alignment, he says, is the best safety policy a country can have. All being well, the President will stand at the 1984 presidential election, when he will be 77. Thanks partly to proportional representation, the UNP should be returned in the 1983 general election. The opposition is fragmented and, quarrelling, and Mrs Bandaranaike, whose name still carries some force, is politically sterilized under an order stripping her of civic rights for six years for abusing power when she was Prime Minister. Of course, rising prices and discontent could upset the expectations of President and Government.

There is not much criticism of the Government in the press. Newspapers are largely Government-controlled and, under emergency rule, are censored. The press is not one of Sri Lanka's strengths, and there is a need for an improvement in the status and quality of journalism, in keeping with the democratic ideal. There are some independent papers, but the best reporting of Sri Lanka is done

by journalists working for foreign publications who are not censored. The emergency rule imposed this summer sprang from one of the Government's spiciest problems, the relationship between the Tamil minority and Sinhala majority. From time to time communal resentments have erupted into riot and bloodshed and this year there have been serious outbreaks of arson, rioting and savagery. The relationship between the communities is still a tender sore and will not be easy for the President to heal. The President hopes that the 24 newly elected district councils will act as a balm as well as a devolutionary extension of democracy.

Though many of Sri Lanka's people are poor they are better off in terms of nutrition, health, education and life expectancy than many other developing nations. The country is becoming self-sufficient in food. The Jayewardene years have been a dynamic, creative and forward-looking period — and the promise is exciting. But the economic storm clouds and the rumble of communal tensions pose their threats. In the evening of his long life the President faces perhaps the greatest of his challenges. The next few years are critical.

Trevor Fishlock

Simon Scott Plummer looks at British involvement in the island over 200 years

From 1763 to today

The British made their first formal contact with Sri Lanka in 1763, when an embassy was sent from Madras to the King of Kandy. They were back, more forcefully, in the 1780s, when they briefly occupied the fort at Trincomalee during the American War of Independence, and towards the end of the century, when they seized the Dutch forts on the island during the French Revolutionary Wars.

In 1798 responsibility for these new possessions was transferred from the East India Company to the Crown. British dominion was confined to the coast, however, and it took another 17 years to extend it to the entire island. This came with the capture in 1815 of Rajah Sinha, the last of the Sinhalese dynasty, who was deported to India.

The nineteenth century saw the development of a full colonial system in Sri Lanka. Indian labour was brought in to work the large plantations from 1850 onwards and two new crops, tea and rubber, were introduced.

Various nationalist organizations came into being on the island during the second half of the century and in 1919 most of them united in the Ceylon National Congress. Twelve years later, with the establishment of the State Council, the British handed over responsibility for domestic affairs. Members of the Council were elected by universal adult suffrage.

From 1942-45 the headquarters of the Allied Command in South-east Asia were on the island. Colombo was attacked by Japanese bombers in 1942.

The British had promised Sri Lanka independence at the end of the war and in 1948, after long negotiations, it became an independent country within the Commonwealth. D. S. Senanayake was its first Prime Minister.

The Queen and the Duke of Edinburgh made their first state visit to Sri Lanka in 1954, when their present host, Junius Jayewardene, was Leader of the House of Representatives and Minister of Agriculture and Food in the United National Party (UNP) Government of Dudley Senanayake, the first Prime Minister's son.

Since then the country has swung between periods of rule by the Sri Lanka Freedom Party (SLFP), under father and daughter Bandaranaike (1956-65 and 1970-77), and by the UNP (1965-70 and 1977 onwards). The policies of the first have been characterized by nationalism and socialism, while the second has favoured opening the island to foreign investment and encouraging the private sector. In 1972, under Mrs Bandaranaike, the country was declared a republic and changed its name from Ceylon to Sri Lanka.

Another change since 1954 is the emergence of the Tamil problem, which exploded into communal violence earlier this year and led to the declaration of a state of emergency.

Supporters of a separate state for Tamils demonstrated outside the Commonwealth Institute in July when the Queen opened an exhibition of Sri Lankan culture. The exhibition was part of the year-long celebrations to mark 50 years of universal suffrage in Sri Lanka.

During the current visit the royal couple will go to the site of the Victoria Dam in the centre of the island, east of Kandy. This is one of three dams to be built on the Mahaweli River which will provide hydro-electric power and irrigation for agriculture. The Mahaweli project is considered to be the key to development in Sri Lanka and the British Overseas Development Administration (ODA) has made its largest ever single allocation of aid to the Victoria Dam.

The grant will amount to about £100m between fiscal 1980-81 and 1984-85, when the dam is scheduled for completion. Sir Alexander Gibb and Partners are the designers and consulting engineers and the main contractors are Balfour Beatty/Nurmali (dam and tunnel, about £65m), Whessoe/Boving (hydraulic equipment, about £16m) and Costain (power station, about £7m).

The project is running behind schedule for several reasons: delays in building the township for the workers; a rock fall in the tunnel which will take the water to the power station three and three

quarter miles downstream; a slight fault in the rock beneath the dam; and a freak rainstorm recently which pushed the river over the top of the protective dams.

In Colombo the Queen will open a new British Council building, evidence of the increasingly important role played by the Council as the Sri Lankan Government seeks to arrest the decline in standards of English.

Under the Key English Language Teaching Scheme, funded by the ODA and run by the Council, teachers are being sent out to each of the six teacher-training colleges in Sri Lanka where English is taught. They will be assisted by Voluntary Service Overseas (VSO) teachers. In addition, the Council will run courses in English language teaching at its new headquarters in Colombo.

In higher education, it has been instrumental in arranging for the engineering faculty at Leeds University to help the University of Moratuwa in developing courses in applied science and has done the same in applied statistics with Reading University and the University of Colombo.

Finally, the Council is acting as an agent for the World Bank in a scheme to train young Sri Lankans in building skills such as carpentry and bricklaying. The scheme, which will run for three years initially, will help to alleviate the severe shortage of skilled labour on the island.

Trade between Britain and Sri Lanka rose dramatically during the first years of the Jayewardene Government as the country stepped up imports of capital and consumer goods. However, belt-tightening is now the order of the day and officials in London think it will be some years before there is another significant improvement in trade prospects.

In 1980 Britain exported nearly £77m worth of goods, mainly machinery and transport equipment, and was the third largest supplier, after Japan and Saudi Arabia. With imports worth nearly £54m, mainly tea, coffee, spices, fruit, vegetables, rubber and coconut, it was Sri Lanka's second largest customer, after the United States.

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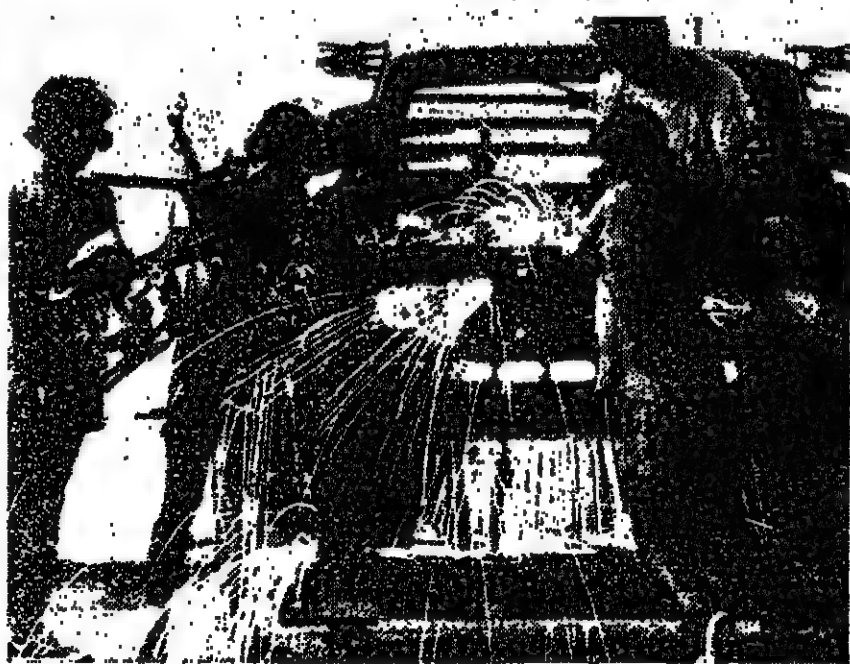
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Two institutions are set up to attract funds

The crucial drive for more foreign investment

A crucial element in the policy reforms introduced in 1977 was the attempt to lure foreign investment as part of the new Government's export development strategy.

The strategy had two basic themes: attracting export-oriented private overseas investment and making non-traditional exports more attractive than import substitution. To implement the new policies, an institutional framework was set up and an impressive array of incentives and facilities offered to all would-be foreign investors.

As a result, there are at present two institutions charged with attracting export-oriented foreign investment: the Greater Colombo Economic Commission (GCEC) and the Foreign Investment Advisory Committee (FIAC).

The GCEC, one of the Government's lead projects, was created by special statute and is the authority governing the 518 sq km Free Trade Zone just north of Colombo, the capital of Sri Lanka. Here the export obligation is 100 per cent. But 100 per cent foreign ownership is allowed. Investments are exempt from all taxes on corporate and expatriate personal income, royalties and dividends for a 'maximum' period of seven years, which can go up to 10 years in special cases. Thereafter there is a concessionary period of four to 15 years during which the investment is liable only to a turnover tax of 2 per cent to 5 per cent.

This is in addition to the normal facilities offered in export processing zones. Because they are classified as offshore enterprises, they also have access to the offshore banking facilities, provided in eight major currencies by most domestic and foreign banks. Their exposure to exchange risks is thus minimal.

Outside the jurisdiction of the GCEC, it is the FIAC which processes all applications for foreign investments. Here all such investments must be in the form of joint ventures, with at least 51 per cent of the equity participation reserved for Sri Lankan investors. This can rise to 75 per cent for investments where there is no significant transfer of technology. Approved firms have no export obligations and no special export incentives are offered.

Firms involved in the Mahaweli Development Project or in the building of luxury tourist hotels need not comply with the joint venture provisions which are mandatory for all other FIAC investments.

Both GCEC and FIAC investments are covered by a web of tax treaties. The more recent of these agreements, as well as recent revision of existing agreements, have tax sparing clauses. The treaties cover all the major capital exporting countries of the world. Sri Lanka has also concluded bilateral investment protection agreements with France, West Germany, Singapore, Britain and the United States and similar agreements are currently being negotiated with other capital exporting countries. There is provision in the Constitution to make these agreements inviolate, but this provision has so far not been invoked by the Government.

For more than a decade, too, Sri Lanka has been a signatory to the 1965 Convention of Settlement of Investment Disputes between states and the nationals of states.

Although in less than four years, the economic environment has been transformed in this way, the response from private foreign investment has been much below expectations. The investment profile also leaves much to be desired.

By the end of 1980 the GCEC had approved 137 projects, but of these, 32 had fallen by the wayside and only 23, with a total investment value of 326m rupees, had actually gone into commercial production. Foreign investment in these projects is 73 per cent of the total investment and the average amount of foreign investment is a mere \$0.8m per project. Of these firms, 36 were in the garment sector and accounted for 94 per cent of the total GCEC exports for 1980. The investments attracted in this phase have a high import content and for this reason the retained foreign exchange ratios to set up more than 10 per cent of export FOB values in the long run. There is some contribution to employment — 11,000 as at the end of 1980 — but since this is confined to unskilled, semi-skilled or basic tailoring labour, the contribution to technological capability is small.

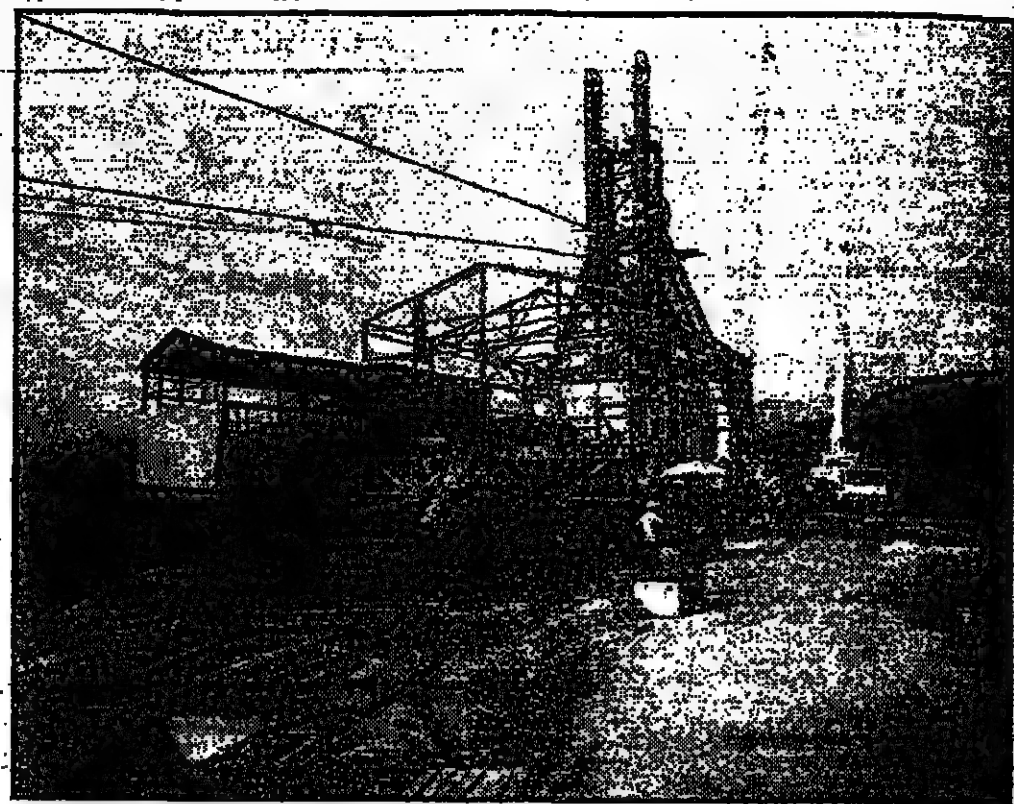
In the same period, FIAC investments totalled 358, of which 116 firms were in operation as at the end of 1980. They were mainly in garments, tourist hotels, construction and some manufacturing.

Here, too, garments are important, as foot-loose manufacturers hampered by quota restrictions elsewhere seek a toe-hold on the emerging market place in Sri Lanka. The quotas have since become over-subscribed and are shared on a fifty-fifty basis between GCEC firms and Sri Lanka firms. It is possible then to conclude, that some of the growth in garments exports would have occurred anyway and without GCEC incentives. Construction and tourist hotels, however, the sectors in which FIAC approved foreign firms are investing are similar to those in which GCEC firms are investing: the foreign partners are also from the same clutch of countries. For those and other reasons the World Bank, in its latest appraisal of the economy (May 1981), concludes that the GCEC "has not been excessively discriminatory about the investments it approved" and "that potential investors ready to contribute much more to the economy have held back to watch the initial experience of the more adventurous". It also adds that "Sri Lanka has undoubtedly paid a price for this less discriminatory attitude."

There are two success stories, however. In the wake of a tourist boom of unprecedented proportions there has been an impressive flow of private foreign capital into tourist hotels. New luxury hotels to come up include, Ritz's Sheraton, and a brace of other 500-room five-star luxury hotels with foreign participation from the United States, West Germany, India and West Asia. They also appear to be getting off the ground with remarkably little fuss and bother.

The other success story is in banking and finance. Thirteen new foreign banks have set up full service branches in Colombo since banking laws were liberalized in January 1978. This brings the total number of banks on the island to 24, 20 of which are branches of international banking chains. The newcomers include the Bank of America, the American Express Bank, Citibank, two Dutch banks, the European-Asian Bank and four banks from the Arab world. The 24 commercial banks operate "off-shore accounts" but Colombo is still a long way from becoming an international financial centre on the lines of Singapore or Bahrain.

Of the two new money broking firms set up since January 1978, one is in collaboration with money broking firms from Bombay and Calcutta. Another innovation is a leasing company, set



The Victoria Dam, a British-funded aid project near Kandy.

up as an affiliate of Orient Leasing Co of Japan, with the Washington-based IFC also participating in its equity.

Foreign investors can no longer complain that the banking and financial infrastructure lacks the kind of sophistication essential for business confidence. This cannot be said of the physical infrastructure, such as road and rail links, water, telecommunications or the monsoon-based hydro-power supply. In the medium term, prospects for attracting more purposive foreign investment are moderated by a number of factors.

There is some apprehension that the terrorist wing of the Tamil United Liberation Front will gain the upper hand and imperil the Jayewardene Government's experi-

ment in open market economy. President Jayewardene himself does not take this threat seriously, but foreign investors are by nature, a timid lot. Potential investors are also concerned about the strength of the dormant labour movement and some provisions of existing labour legislation. Sri Lanka has had a long liberal and democratic tradition, so there is not much that any government can do here.

Macro-economic constraints are of a more ominous nature. Inflation is still running at unacceptable levels. This is not conducive to a healthy business climate. The Treasury's budgetary surplus is low and is exacerbated by the fact that all new growth areas

benefit from tax concessions. This induces an element of fragility to the tax and other incentives accorded to foreign investors. It can only be remedied by a complete overhaul of the tax system. But the finance ministry has neither the muscle nor the appetite for such a radical departure.

The large question mark looming over the horizon is the outcome of the general and presidential elections due in 1983 and 1984. Given the legendary volatility of the Sri Lankan electorate, foreign investors can hardly be blamed if they choose to adopt a policy of "wait and see" — for the present.

Roland Edirisinghe

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The making of President Jayewardene

A man who knows the jungle

Junius Richard Jayewardene was born on September 17, 1906, the eldest of 11 children, into one of Ceylon's great Sinhalese lawyer families. The family enjoyed a certain affluence, a love of culture and politics, and sunny privilege under benign colonial rule. It was also a nationalist and family. J.R., as he became known, seemed predestined to do well and to emerge a leader.

He was named after one of his five uncles. There is a picture of them standing with Jayewardene's father, and bearing the fine names of Junius Quintus, Justus Sextus, Theodore Godfred, A. St. V., and Hector.

The young J.R., called Dick as a boy, learnt English and the piano, and read Dickens and Shakespeare, under the eye of his Scottish governess, Miss Munro. He played cricket and rugby, and boxed, at Royal College, Colombo, and followed his father, who became a judge, into the law.

His father was a Christian and a regular churchgoer. His mother was a Buddhist and there was no rancour in a tolerant home when Dick

adopted her faith at the age of 17. Buddhism has been a central influence in his life. It no doubt has a part in the serenity for which he is noted.

At 10 he adopted his father's habit and began to read *The Times*. He recalls that the first news that lodged in his mind was Lord Kitchener's death at sea in 1916. He followed the war, Lloyd George's career and the development of postwar politics. "It was part of my political education. I've been a reader for 65 years."

He was called to the Bar and practised for 10 years, but his interest, increasingly, was politics. He was an admirer of Gandhi and, naturally enough for a radically-minded young man, was drawn to Ceylon's independence movement. He visited the Mahatma and Nehru during the war. He became a Colombo Councillor in 1941, a State Councillor a year later and was Ceylon's first Finance Minister after independence in 1948.

He has had a long career on the international stage. He was a co-author of the Colombo Plan of 1951, which gave economic aid to South

and South-east Asia, and has been a frequent inhabitant of Commonwealth and non-aligned conferences.

He still takes pride in his speech of reconciliation at the Japan Peace Treaty Conference. His theme was the Buddhist message "hatred ceases not by hatred but by love".

He founded a special relationship with the Japanese. When they asked him recently what they could do for Sri Lanka he suggested a hospital. They said the largest they had built abroad was a 1,000-bed one. He asked them to build him a 1,001-bedder.

Because of the pendulum nature of Sri Lankan politics he had periods of defeat and unpopularity between the mid-1950s and the 1970s, of being Opposition leader, of being in a party in ruins.

He became leader of the United National Party in 1973 and Prime Minister four years later. He was the principal force in broadening the party's base, bringing lower castes into the arena, and in changing the Westminster model of democracy to a presidential one.

His ideal is to make Sri Lanka a *dharma* society, a term that might best be rendered as just. As an historian he likes to use as his guide the career and example of King Elara the just, who ruled in the Second Century BC.

"We called ourselves for a while a Socialist Democracy. Now we are styled a Democratic Socialist Republic. There is a difference. We retain socialism but democracy comes first because it is more important than socialism. As I see it, you have to be pragmatic. That is why there is press censorship under the temporary emergency in a racially tense situation I did not want to run the risk of inflammatory statements getting into the press."

His devotion to Buddhism is complete, but he has taken care to slap down clergymen who have tried to extend their influence across the divide between religion and politics.

His love of history leads him to take an enthusiastic interest in the restoration of ancient buildings. And his desire to see the Mahaweli River schemes completed lies not only in a politician's, and leader's, wish for achievement, but also in an his-

torian's wish to see a bridge between modern Sri Lanka and its ancient hydraulic civilization.

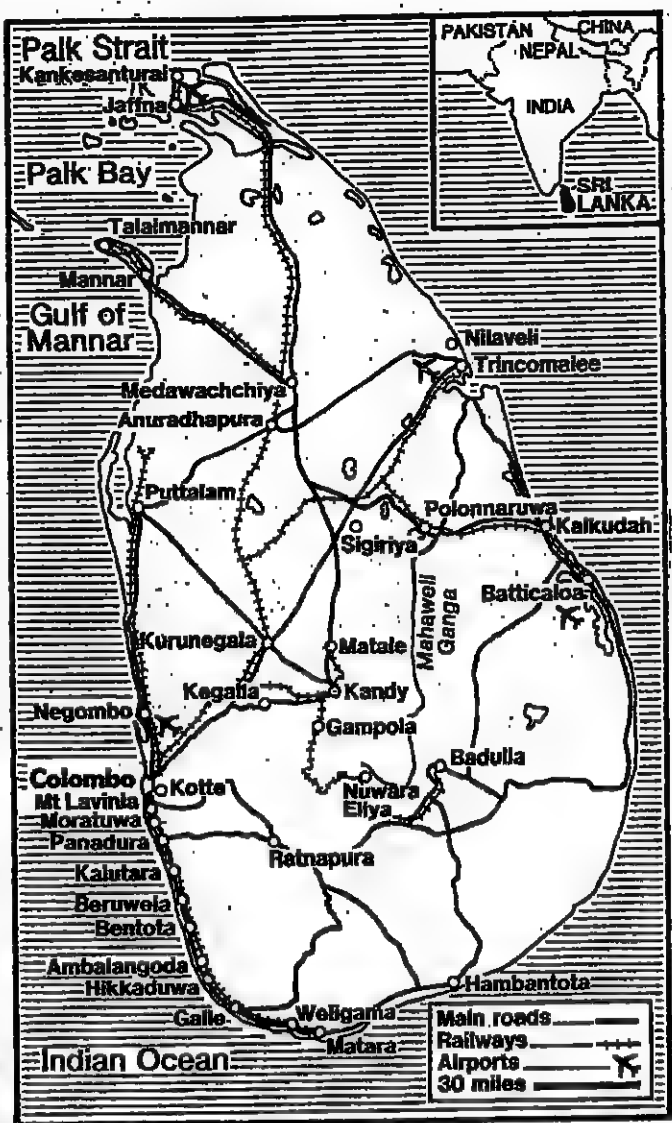
In the same way he looks forward to greeting the Queen as the last of a long line of monarchs of Ceylon, stretching back 2,500 years. "When we were a dominion she was our Queen. Now we are a republic we honour her for her place in our history."

President Jayewardene looks forward to standing in the 1984 Presidential election. He feels fit. He rises early, exercises, and sets store by his rest after lunch. He used to smoke a cigarette a day, but gave it up, and sips an occasional wine or brandy.

He is a calm-mannered man of keen humour, plainly not someone who lives on his nerves. He is unpretentious and speaks softly in unembroidered sentences. His quiet mien, however, does not disguise his air of authority, his toughness and political shrewdness. He is a man who knows the jungle.

He will be 77 when he offers himself for a second six-year term. "It is not a question of age but of health. You have to look after yourself. You have to be like a well-bred racehorse, always ready to run."

Trevor Fishlock



Tourists' eden: a happy accident

The island gem with almost everything

Arab seafarers called it Serendib. And from that, Horace Walpole coined the magical word *serendipity*, meaning "the faculty of making happy and unexpected discoveries by accident".

Today's traveller will find Sri Lanka an attractive and surprising kind of Eden. Surprising because of the variety which is packed into this tropical island — magnificent palm-fringed beaches, wildlife, exotic flowers, high country, rivers and waterfalls, and fascinating historic sites where one can see the remains of a great civilization. The ruins of monasteries, cities and canals, as well as numerous inscriptions, show that from about the third century BC to the sixteenth century AD, Sri Lanka took its place among the most advanced nations of the pre-modern world.

This cultural heritage is an important part of one's experience in Sri Lanka, so it would be wrong to regard a holiday there as simply an excuse to enjoy the beach to the exclusion of anything else. It is an island to be explored. But it is important not to take on too much. A tour which would give opportunities for lazing, taking trips back in time to ancient cities, and perhaps a visit to a tea estate in the high country would be ideal.

Because Sri Lanka experiences two monsoons, the beaches on the west and south coasts are at their best between October and March, and those on the east from March to October. The temperatures soar into the eighties at the coastal resorts. Favourites on the west and south coasts are Negombo, Mount Lavinia, Beruwela, Bentota and Hikkaduwa. Galle is famous for its old Dutch fort.

For the more energetic there is water skiing, sailing, surfing, scuba diving and deep sea fishing. Mount Lavinia is only about eight miles from the capital, Colombo, and is a favourite excursion, especially for Sunday lunch. The colonial-style Mount Lavinia hotel is on the beach, and one can get a fine view of Colombo from its terrace.

Bentota is Sri Lanka's first self-contained holiday resort, with hotels, shops, a bank and a small railway station. The Bentota Beach hotel, one of the largest in Sri Lanka,

charges from about £17 per night for a double room. The coral gardens at Hikkaduwa are one of the main attractions for the underwater enthusiast. Shoals of multi-coloured tropical fish swim among the white coral grooves. Glass-bottomed boats are available for those who prefer to view from above the water.

Trincomalee, Nilaveli and Kalkudah, on the less developed east coast, also offer sandy beaches, a warm, calm sea, and opportunities for the underwater enthusiast. The harbour at Trincomalee is one of the largest in the world, and the town was an important British naval base during the Second World War.

"Trinco" remained a Navy town for years afterwards. Sri Lanka abounds in wildlife, with more than 350 different kinds of mammals, and more than 400 varieties of birds. Kumana and Wirawila are just two of Sri Lanka's bird sanctuaries, inhabited by storks, barbets, flycatchers, ibis, pelicans, peacocks, parrots, devil birds, hawks, jungle fowl and stork. The island has three botanical gardens. Peradeniya, near Kandy, contains more than 4,000 species, as well as a splendid orchid house.

There is a number of national parks. The two major ones are at Wilpattu, 110 miles north of Colombo, and Ruhuna (also known as Yala), 190 miles south. Here one can see elephants, bears, sambar, buffalo, herds of deer, wild boar and monkeys. There are crocodiles in the lakes, and one also has a good chance of seeing leopards. Another sanctuary renowned for its elephant population is at Inginiyagala, 195 miles east of Colombo.

The elephant bath on a bend in the river Mahaweli near Kandy is a tourist attraction. Some elephants are brought for a refreshing bath by their mahouts. But beware — the mahouts can be very persistent in their demands for payment!

Tea is Sri Lanka's most important export, and the tea plantations in the lush hill country are interesting places to visit. Acres and acres of tea, with its rich green foliage, extend across the hills and reach almost to the mist-shrouded mountain tops. Narrow roads wind through gorges, streams bubble over rocks, and one sees waterfalls called Devon, St Clair and

Aberdeen by nostalgic British tea planters. Tea thrives in the mild climate, and the flavour of the leaves varies with the altitude and soil.

Nuwara Eliya, reached by the spectacular Ramboda Pass, began as a colonial hill station, and has English-style houses, a war memorial and a fine 18-hole golf course. Very close to Nuwara Eliya is Sri Lanka's highest and most isolated plateau, Horton Plains. Buddhists, Hindus and Muslims have for centuries made pilgrimages to Adam's Peak, the Sacred Mountain, which is near the town of Hattotuwa.

Buddhist culture has flourished in Sri Lanka since the third century BC, and the island has a large number of outstanding monuments. The triangular area formed by the ancient cities of Anuradhapura, Sigiriya, Polonnaruwa and Kandy is known as the cultural triangle of Sri Lanka. Unfortunately, some of the most important monuments are decaying and are in danger of being lost. Last year, the Sri Lanka Government, with assistance from UNESCO, embarked on an ambitious programme of preservation and restoration. The programme includes six projects to be completed within five years.

Anuradhapura, the most important of the ancient cities, was the capital of Sri Lanka in about 380 BC. The city was a model of planning. The water supply came from artificial reservoirs, remains of which exist to this day. It was in the reign of King Devanampiya Tissa (250-210 BC) that Buddhism came to Sri Lanka, and Anuradhapura rose to great importance.

Polonnaruwa was the island's medieval capital, and reached its dazzling zenith in the twelfth century AD. Though ravaged by later invasions, much evidence of its old grandeur remains.

Kandy was a capital in the fourteenth century, and contains one of the most photographed buildings in the world, the Temple of the Tooth. The sacred relic, a tooth of Buddha, was smuggled into Sri Lanka during the fourth century AD. Every August, Sri Lanka's most important festival, Perahera, takes place in Kandy. The relic is honoured in a great feast of sight and sound, custom and ritual.

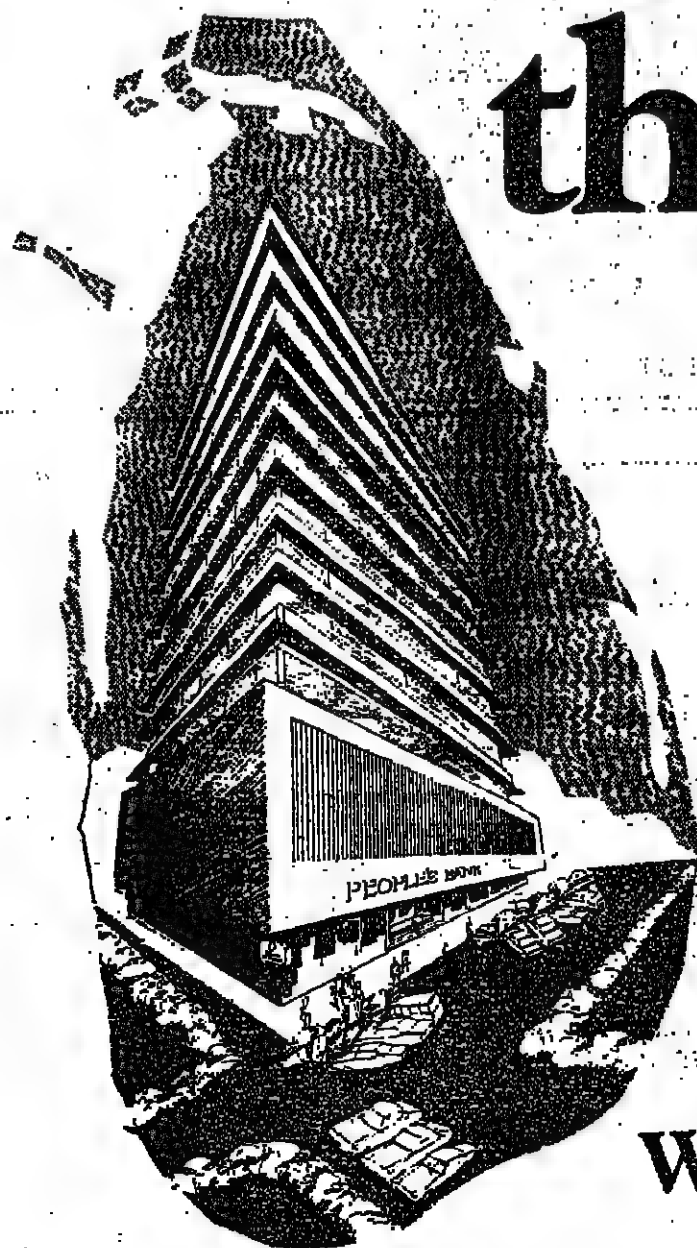
Penny Symon



President Jayewardene: "always ready to run"

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Trevor Fishlock explains the sense of anti-climax about the economy

After the celebrating, the
hangover sets in

Nothing disguises the anxiety felt in Sri Lanka today about the state of the economy. "We will have to work hard and manage harder to get out of this one," a banker in Colombo said. "We are up a gum tree at the moment."

There is disappointment because the country's economic revolution started so dramatically after the arrival of the Jayewardene Government in 1977. It more than met the hopes of the Government and of the IMF, which provided generous cushioning. There was euphoria as the economy expanded, Sri Lanka seemed like a man gulping down air, having been close to suffocating.

Before the United National Party took power, Sri Lanka had a doctrinaire welfare economy. Under Mrs. Sirimavo Bandaranaike the left, whose fragments she drew together, had been in power more than 12 years. The people's living standards were improved and the problem of rapid population growth was addressed. But once certain goals were achieved such policies had nowhere to go.

The absence of a creative approach left Sri Lanka essentially bankrupt. Unemployment was 24 per cent, the private sector was neglected and growth stagnant. Imports were artificially restricted and overseas investment discouraged. Talk of nationalization of tea plantations, and finally nationalization itself, led to a decline in planting and a fall in production of the island's most important crop. Rubber and coconut growing suffered in the same way.

The Jayewardene Govern-

ment went pell-mell for growth. Restrictive import and exchange controls were lifted and overseas investment encouraged. A free trade zone was cleared near the international airport, offering foreign companies generous tax concessions.

Resources were directed from consumption to investment, the rupee was floated and a loan of \$325m was arranged by the IMF. Universal food rationing and subsidy was stopped, although the Government continues to issue food stamps to aid half the population earning less than 300 rupees a month. (35 rupees equals £1.)

An ambitious development programme was started: a new Parliament, a promised 100,000 houses and the acceleration of the Mahaweli projects. The Mahaweli is the great river of Sri Lanka, its Ganges or Nile. The early civilization of the island depended on remarkable waterworks and canals based on the river. Today new dams and tunnels are being built to advance the historic tradition.

Gigantic in scale, the project will provide the hydro-electricity the country badly needs. Power consumption is rising by 20 per cent a year and cuts are up to five hours a day. The scheme will also irrigate, and thereby populate, a great underdeveloped region.

Thirty years was the original timetable for Mahaweli. The Government is going all out to have it done by the mid-eighties.

It is the symbol of Sri Lanka's high-stakes strategy, a strategy and experiment with implications for many

Third World countries and for the IMF. But Mahaweli is also a large part of the country's expenditure hurdle—a hurdle which Mr. Rommie de Mel, the Finance Minister, reckons will not be crossed until 1984.

One difficulty was that the economic ground was not properly cleared. A large public sector was retained, making economic management difficult, and the tax structure was unsuitable for the revolution. There are only 91,000 taxpayers and half of those are marginal.

The performance of industrial public corporations, and of manufacturing, has been disappointing. And Sri Lanka has been heavily hit by external economic forces outside its control. Rising import and oil prices pushed inflation to an admitted 30 per cent last year (unofficially, 40 per cent), lax control of Government expenditure led to heavy bank borrowing in 1980, and there was eventually a virtual loss of control. Expenditure went a third over budget and the deficit was 70 per cent higher than estimated.

Building costs have soared, forcing the abandoning of much private building. As a small example, a bag of cement which cost eight rupees in 1975 now costs 80 rupees. The cost of one of the Mahaweli dams is now more than six times what was estimated four years ago.

In response to its backers' demands, Sri Lanka is pressing the brake hard. There is a credit squeeze; there are no new projects, and public works programmes are being cut. But the cuts are also



Private enterprise: a man traps fish in a canal near Negombo

being fought by Ministers anxious to keep pledges and unable to recognize the seriousness of their country's predicament.

Mr. de Mel cut the budget by 25 per cent this year, then by a further 10 per cent in some areas. It is not enough, and the 1982 budget will aim

for further reductions.

Inflation now at 25 per cent, remains serious and pressure on the balance of payments will stay strong. The prices of many basic commodities are high. There is no doubt that Sri Lanka's economy will have to be managed more toughly.

On the bright side, the Mahaweli project is on target, the backers are still backing, there is some possibility of oil being found offshore. The Finance Minister even permits himself to talk of the dawning of "a golden age" after 1985. For the time being, though, Sri Lanka is gritting its teeth.

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Small takings: a tea picker at work in Nuwara Eliya

£64 million Victoria Dam and Tunnel-Sri Lanka

The Victoria Scheme is a major element of the Mahaweli River Basin Development and is situated on the upper waters of the Mahaweli-Ganga in the mountainous region of south-central Sri Lanka.

Balfour Beatty Construction and Edmund Nuttall in joint venture were awarded the contract to construct the Victoria Dam and Tunnel, together with associated works.

When completed this project will nearly double the hydro-electric power generation

capacity of the country as well as vastly increasing the area of irrigated land.

A tunnel 6km long will conduct water from a gated intake at the reservoir to the power station further downstream.

The contract also includes the design and construction of a permanent township adjacent to the site.



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The illustration shows the position
of the dam when completed.

The tangled roots of communal conflict

The minority who might yet break away

by a Special Correspondent

The violent events in Sri Lanka between May and August this year appalled and frightened many of the island's people.

Once again the complex and sensitive nature of the relationship between the Sinhalese majority and the Tamil minority was exposed in brutal fashion.

In several parts of the island there was rioting, arson and smashing of homes and shops. More than a dozen people were killed, victims of the latest in a series of communal spasms which have gripped the island in the past 25 years.

Although communal tension is seen as a phenomenon offering a periodic threat to social harmony, no one in the Government and no long-term observer of Sri Lanka's affairs appears to believe that the friction contains the ingredients for chaos of the most serious kind.

Rather, there is a belief that wounds can be healed, that the admitted mistakes of the past can be rectified. Whether this view is complacent, or is a confident one based on a realistic assessment and a refusal to be rattled, it is hard, and too early, to say.

Sinhalese and Tamils have coexisted in Ceylon for many hundreds of years. On the whole they have remained separate communities, except along parts of the coast. Inter-marriage has been rare and they have retained their different life styles, most notably their mutually incomprehensible languages.

It is believed that the Sinhalese began arriving about 2,500 years ago from Northern India. They are a Buddhist people, having embraced the faith in the third century BC, and Sri Lanka is a place of special sanctity for them.

The Tamils, Hindus from South India, are believed to have arrived in waves from the second century BC to the ninth century AD. Although the peoples fought from time to time, and developed differing ideas of each other, their conflict lies not in ancient history but in more recent events.

According to the 1981 census, of Sri Lanka's 14,850,000 people, 10,980,000 are Sinhalese and 1,870,000 are original Tamils, known as Ceylon Tamils. There are another 825,000 Tamils, known as Indian Tamils, who were brought over in the last century to work on the plantations.

The British ruled Ceylon as a single community and under this rule the Tamils advanced. Nineteenth-century missionaries and educators who settled in the north, where Tamils predominated, found them avid pupils.

They were diligent, persistent, thrifty, good at business, virtues which have a place in Sinhalese prejudice. Education and English enabled them to market their brainpower. Tamils made good doctors, engineers and went abroad to work. Their qualifications also enabled them to corner a disproportionate share of jobs in the colonial bureaucracy, and their ascendancy in this sector bred more resentment.



Troops during the recent state of emergency

Independence changed everything. A reordering of society began and the effects of it are being felt still.

The Sinhalese, more than seven-tenths of the population, sought to express their new identity through language and an assertion of Sinhalese nationalism. Their Ceylon was essentially a Sinhalese and Buddhist one. "Religion, language, nation" was a sentiment easily harnessed by politicians, but Tamils and Christians felt threatened.

In the 1950s, especially, Sri Lanka watered seeds of future trouble. The reordering of society seemed a proper and egalitarian concept and, of course, changes were inevitable and right. But there was political mismanagement. Prejudice was freely tapped. There was a need for people at the top with vision and a feel for reconciliation, but there were not enough of them.

Teaching through the medium of English was stopped and children began learning through Sinhala and Tamil. University and public service entry was officially manipulated to provide more places for Sinhalese. The citizenship of certain Tamils was made a matter of question. People of Dutch and Portuguese descent left the island to escape the new education system. Tamils reflected bitterly that the downgrading of English

damaged their economic chances. The first rioting to disturb Ceylon's enviable peace took place in 1956, when Sinhala was made the sole official language.

Periodic eruptions since then made urgent the need for reconciliation. Under the Jayewardene Government Tamil has been made a national language (although in practice it has been used in courts and Parliament without difficulty). University and civil service entry has been adjusted to make "positive discrimination" less of a provocation. The Government hopes that the new development council, which permits a large measure of district autonomy, will help to defuse tensions.

But in the Tamil's northern stronghold feelings are still strong after recent violence. Officers in the predominantly Sinhalese police went on the rampage and a few Sinhalese politicians made matters worse with disgracefully hooded speeches. The President has sacked one of them from the United National Party.

Not surprisingly there has grown a more strident call for a separate Tamil state in Sri Lanka. The citizenship of certain Tamils was made a matter of question. People of Dutch and Portuguese descent left the island to escape the new education system. Tamils reflected bitterly that the downgrading of English

partition to be a preposterous notion. The Sinhalese are furious at the publicity gained by Tamil activists abroad and believe that expatriate emotion is causing trouble rather than smoothing it.

The Tamil plantation workers, who have inevitably been victims in the strife, are not enthusiastic about *celom*. Where would they work in a separate state? In any case their position is complicated and uncertain. More than 250,000 Tamils have been repatriated to India under an agreement. Others await either repatriation or the granting of Sri Lankan citizenship.

Meanwhile the relationship between majority and minority is made more tangled by rivalry between northern Tamils and the lower castes among the Sinhalese, who are being given a larger share of the economic and political cake. There is too the terrorism that has been unleashed.

At the time of writing, the state of emergency which quietened Sri Lanka after the latest troubles is being lifted and the Government is having "peace talks" with the Tamil Party. The communal problem in Sri Lanka is not at all simple. Its shades and contradictions, let alone its dangers, make it a singular test of the conciliatory powers of the leadership.

Education and the jobs market

A case of making too many square pegs

"If you advertise for a bank clerk in this country you will get 10,000 replies. If you advertise for a gardener you will get four, and three of them will be useless."

The bank executive who told me this was describing the paradoxes of the job market in Sri Lanka and how the education system, *vis à vis* the economy, is rather like the relationship between a square pin plug and a round hole socket.

Yet in many eyes Sri Lanka has an enviable education structure. Tuition is free and, for the past two years, so have been books. The country has 9,700 schools in its 25,000 square miles, a school population of 3.2 million (of a population of 14.85 million), a pupil-teacher ratio of 22 to one, and a literacy rate of 90 per cent in younger age groups, 83 per cent overall.

Sri Lanka has had a strong education tradition ever since the mission schools started in the early nineteenth century. The British colonial service bred generations of educated, Colombo-oriented people. Education led many people to well-paid jobs overseas as teachers, doctors and engineers.

The community has always attached great importance to white collar jobs in the Government service. Today Sri Lanka does itself a disservice by turning out far more would-be administrators and office workers than there are desks. Unemployment among the well-educated is high. The civil service has become swollen, and the

underworked and educated are inclined to insist on perpetuation of the system.

However, as the educated people scramble for jobs the country is desperately short of skilled men.

There are not enough managers, support staff, foremen and team leaders. There is a dearth of engineers, mechanics, welders, machinists, carpenters, plumbers and typists.

The matter is made worse because many with skill go off to make their money in the Middle East. Those who remain in the country can command high salaries.

The Government responded to the flood of public service job applicants by raising entry standards. The schools then put more emphasis on examinations. A Government review of education says that the aspects of education which contribute to the development of character have been eroded by the "crippling influence of exams".

Attempts to introduce education based more on the community's requirements failed. Half the people work on the land. But parents tended to reject craft and technical education and the office in Colombo remained a magnet.

One effect of this is that many parents and children perceive education to be of value only to the relative high fliers. About half of the school population drops out before reaching GCE level.

Reforms now in the pipeline aim to provide more of the technical education the

country needs. It is hoped that the reforms will succeed as more people become aware of education's part in broad economic development.

Another important reform on the way is a new emphasis on the teaching of English. In the education revolution of the mid 1950s, the national languages, Sinhala and Tamil, replaced English as mediums of instruction. English became a subject. The change was intended to promote identity and indigenous culture, to throw off a foreign yoke and to make schooling more egalitarian by removing the privileges enjoyed by the English education.

The results, some say, have been disastrous. The standard of English has fallen considerably. The President himself admits that, as far as English is concerned, "It was a revolution that went too far".

Schools are failing to give any children the sort of English they need for their chosen careers. Young people arrive at university unable to read vital source books which are available only in English. They have to rely on lecture notes. It is one reason why universities have failed to become communities of excellence.

Children from poorer homes suffer because better-off parents can afford private English lessons and give their children an edge on the jobs market. There is a rapid growth of tutoring establishments where children cram English in their spare time.

Best of all, in the view of some parents, are the private schools where English is given a more important place in the curriculum. One school principal teaches English in periods ostensibly set aside for music.

The number, and standard, of English language teachers has fallen considerably. The country ought to have 1,200 teachers of English, but has only half that number. The dilution of teaching makes standards even worse.

The plan now is to arrest decline by concentrating teaching of English in selected schools spread across the country. In a country with such a large agricultural base, and which is experiencing an economic revolution, there is clearly a need for a rationalization of education. The system has been over-academic for too long. But the demand for a certain quality of education remains strong, and the private sector is being allowed to expand to meet a need the Government cannot afford.

There is also an important political dimension. The Tamil minority feels discriminated against in university entry, although Government manipulation has now been made fairer. Tamils, who found advancement through English-medium education, still feel robbed by the relegation of English to a subject. "If the Government gave us back English teaching it would hear no more wild talk of partition", a teacher said.

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Worries over the trade figures, page 23

Opening up the EEC insurance market, page 23

Volkswagen finance chief 'about to resign'

From Peter Norman, Brussels, Oct 20

Changes appear likely among the top management of Volkswagen, the troubled West German car maker.

Over the past few days, rumours have intensified that Professor Friedrich Thomee, the group's finance chief since 1965 and second in command in the managerial hierarchy, could be about to resign. Herr Thomee is on holiday until the end of the month and unavailable for comment.

A Volkswagen spokesman was unable to confirm or deny the reports today but sources inside the company said the speculation was not entirely wide of the mark.

Volkswagen is currently going through a difficult period. It recorded a loss in the second quarter of this year and first half profit after tax slumped to a mere DM15m from DM216m in the same period of 1980.

Professor Thomee, who is 61, has been strongly criticised because of the losses incurred by Volkswagen, the typewriter and computer concern taken over by Volkswagen in the late 1970s.

This first big effort at diversification out of the car industry is thought to have cost the company some DM1,000m so far.

When Volkswagen announced plans to shut one of Triumph-Adler's factories in Frankfurt two months ago, a wave of protest forced the board, headed at the time by Professor Thomee, into a humiliating climbdown.



Herr Schmücker, recovering from heart attack.

Professor Thomee has been carrying an extra burden as acting chief executive over the past few months while Herr Toni Schmücker, Volkswagen's managing board chairman, has been recovering from a heart attack. Herr Schmücker is still not fully fit for work.

He has been going into his office for three or four days a week to see if he can again take the strain of the chief executive's position.

Volkswagen has been experiencing difficulties with other subsidiaries besides Triumph-Adler. In Brazil its once-flourishing subsidiary has suffered a 50 per cent drop in sales so far this year as the government's rigorous austerity programme has pushed interest rates to unprecedented heights.

In the United States, profit margins have been squeezed as Volkswagen has been forced to match the generous discounts offered by American and Japanese manufacturers.

Trade surplus falls to £147m in September

By Frances Williams

The first monthly trade figures to be published since February show that Britain ran a balance of payments surplus on current account of £147m in September, compared with an average of £850m in the three months to February, 1981.

The surplus on visible trade shrank to £13m in September, as imports jumped by a quarter from February while exports rose more slowly. This virtual balance for visible trade compares with a record surplus in January of £742m and a still substantial surplus in February of £314m.

The balance on invisibles—trade in services such as shipping, banking and insurance—has also shrunk since the early months of this year, when they were boosted by EEC budget refunds. The estimated surplus in September was put at £134m, down from an average of £437m in the first quarter of 1981, but similar to the monthly average since then.

Figures for visible trade in the months between February and September have not been published because of the Civil Service dispute and it will take some months for the statistical backlog to be cleared.

The Department of Trade warned yesterday that because monthly figures are so variable, the September figures in isolation could provide little or no guide to the recent underlying trend in exports and imports.

Nevertheless, they reveal some statistics which must prove worrying to the Government, notably the huge surge in imports.

Imports in September totalled £4,446m, on a seasonally adjusted basis, up by a third from the average for the three months to April. Import figures for March and April were also published for the first time yesterday.

Import volumes in September were higher by a quarter than the three-monthly average to April, reaching a level last achieved in April, 1980. Massive destocking since then has been a major factor in the subsequent decline in imports seen up to last spring.

The recovery in imports may signal that stocks are being rebuilt, though there is relatively little evidence that this has been happening from other statistics. Retail trade has weakened and manufacturing output has picked up only slightly in recent months.

Imports of raw materials were up by 24 per cent in September from the first quarter of this year, compared with 30 per cent for semi-manufactures and 38 per cent for manufactures. Capital goods imports were up 48 per cent over the same period, while consumer goods imports (excluding cars) rose by 31 per cent.

The balance of Britain's non-oil trade slumped to a deficit of £277m in September, after running in a substantial surplus in the second half of 1980 and January of this year, though it fell to only £83m in February.

Foreign exchange markets marked up the pound when news of the trade figures came through. They were not as bad as some analysts had feared.

Over the same period, while high interest rates in the United States had depressed its value by the end of the day and it closed 2.1 cents down at \$1.82. Table: Page 24

Vauxhall set to raise car output

By Peter Waymark

Vauxhall is considering increasing production at Luton because of 'unexpectedly high demand for its new Cavalier car'.

Mr Ferdinand Beichler, Vauxhall's chairman, said yesterday that orders were running at twice the level of output.

A decision is to be taken shortly on whether to increase capacity from the present target of 350 cars a day to between 500 and 550 a day. Mr Beichler said this could be done with a few adjustments and there would be no difficulty in making extra components available.

He agreed that in setting production levels for the Cavalier they had probably overestimated the effect of high interest rates on the new car market. If output were increased, it would require an investment of less than £1m and he did not envisage taking on more employees.

The success of the Cavalier, which was launched a month ago, helps to put Vauxhall on target to achieve a 10 per cent market share in 1982, compared with less than 7 per cent so far this year.

Mr Beichler said they were hoping to buy more British components for the Cavalier but that it had to be economical to do so. At the moment only 30 per cent of the factory value of the car, including labour, was British.

On future investment, he said no decision had yet been taken on whether the new small Vauxhall, code-named the S car, would be made in Britain. That would partly depend on whether the British plants could achieve the right levels of productivity.

The S car, a "supermini" in the Ford Fiesta/3L Metro class, is to be launched in the spring of 1983. Production will initially be concentrated on a new factory being established at Saragossa in Spain with a capacity of 270,000 units a year.

Employers gloomy on recovery prospects

By Peter Hill, Industrial Editor

Britain's business leaders yesterday presented the Government with more dismal economic forecasts for the next three years.

The Confederation of British Industry expects that unemployment will continue to rise, with little likelihood of a further significant fall in January. Next year, according to internal forecasts by the CBI's economists, there will be only a modest improvement in output, amounting to less than 1 per cent.

These gloomy predictions will provide no comfort for those Ministers who have increasingly claimed that the worst of the recession is over and that some improvement can be expected.

The employers' organization has consistently supported the Government's principal objective of reducing inflation, but has argued equally strongly that this objective must form part of an overall strategy to strengthen the economy and promote the business sector.

Next month's fifth annual conference of the CBI, to be held at Eastbourne, is expected to reveal the extent of the split between those members who believe that some changes in economic policy should be made and those who remain committed to total support of the Government.

A paper prepared for the conference by the CBI's economists pointed out that output in the whole economy is now about 1 per cent lower than a year ago; company profitability has fallen further; and industry's competitiveness at the end of last month was 35 per cent less than six years ago.

On future prospects, the CBI said that lower pay rises and further improvements in working practices should exert a downward influence on inflation. But the organization gave warning that the rising price of imports and government charges, and the need to improve profit margins, were likely to limit the fall in inflation in the next two or three years on present policies.

At a press conference yesterday, Sir Donald MacDougall, the CBI's chief economist, said that the adverse effects of higher interest rates in the past few weeks had been offset by the lower level of sterling. Business Diary, page 23

Exchange will go for cash

By Michael Prest

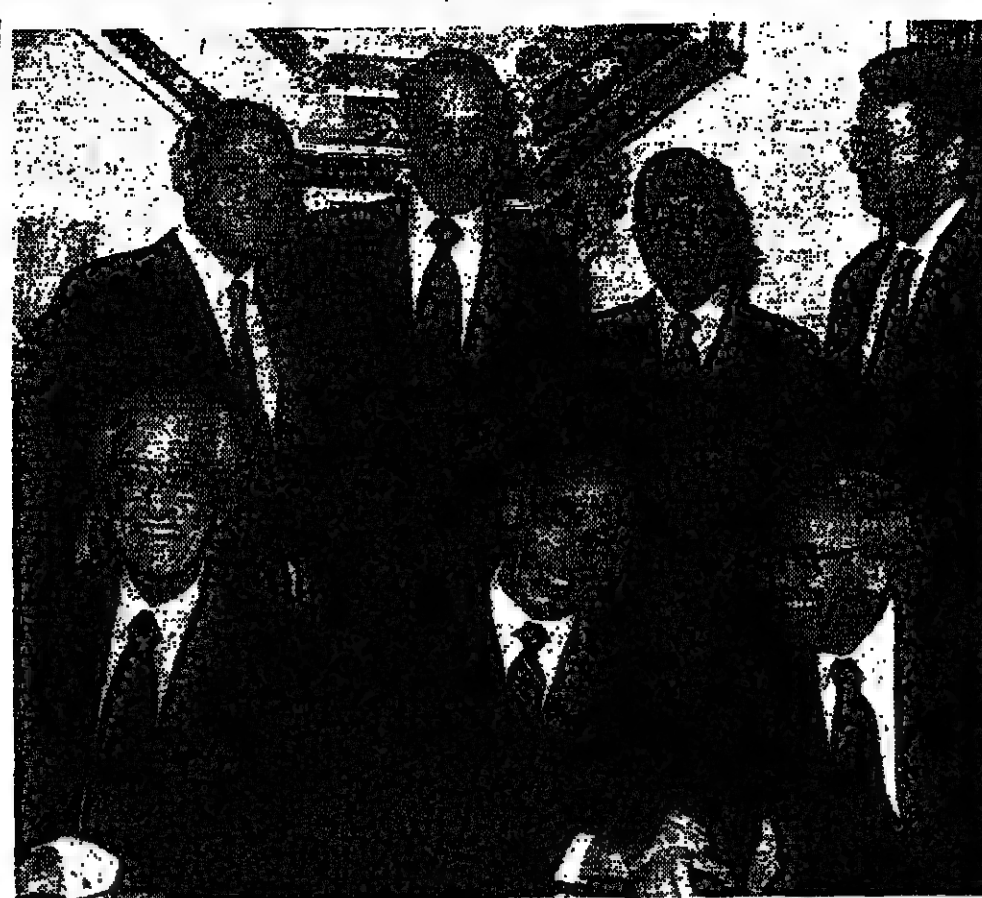
The London International Financial Futures Exchange (LIFFE) is to offer contracts in short-term cash deposits rather than Certificates of Deposit, which it hopes will become the basis for setting interest rates in London.

Mr David Burton, chairman of the LIFFE contracts sub-committee, said there were perhaps only six institutions in London able to deliver certificates. The time deposits will be in sterling and dollars.

LIFFE will open its September, three months later than proposed, because of time needed to obtain planning permission to refurbish the Royal Exchange.

Mr John Barkshire, LIFFE chairman, said the exchange will also offer currency contracts in sterling, Deutsche marks, Swiss francs and yen, all against the United States dollar, and a long-term gilt contract.

A second round of membership applications is to be invited, designed to double the number of seats to 400. By the end of the year, the first round will have to pay £30,000 for a seat, £10,000 more than in the first round.



Movie moguls focus on London

Hollywood temporarily ceased to be the centre of the cinema world this week when most of California's movie moguls flew to London to launch a new international distribution agency, United International Pictures.

They included (above) back row—left to right: Barry Diller, chairman of Paramount; David Begelman, chairman of United Artists; Frank Rosenfeld, chairman of MGM; Sid Sheinberg, president of MCA. Front row—left to right: Lew Wasserman, chairman of MCA; Kirk Kerkorian, majority shareholder of MCA; Charles Bluhdorn, chairman of Gulf and Western.

From November 1, the company will act as the foreign distributor for the theatrical products of MCA, MGM, Paramount and United Artists. The cinema distribution work of Cinema International Corporation (CIC), which is jointly owned by Paramount and MCA, will be taken over by the company, though CIC will continue to distribute home video releases and run cinemas in several countries, including the United Kingdom.

A statement from the companies said: "The new partnership can only further underline all four companies' dedication to up-to-date marketing of films and realistic operating costs."

Though the new company will concentrate initially on distribution, it is expected that it will move into film production.

GKN stalemate may kill plan for steel

By Peter Hill, Industrial Editor

Discussions have run into difficulties on forming a joint venture company between private companies and British Steel to rationalize the British industry's engineering steels sector.

Moves to create the company have been going on for months. Unless agreement can be reached between GKN and British Steel, the plan to rationalize the industry's engineering steels sector will be abandoned.

Subsequently, agreement was reached between Tube Investments and the corporation to buy out Tube Investments' 50 per cent interest in Round Oak. The corporation is now responsible for the Park Gate Iron and Steel Company.

GKN was involved with the Phoenix One company, Allied Steel and Wire, which brought together their steel and wire businesses in a limited liability company with a turnover of £200m.

Agreement with GKN on the engineering steels company was always critical to the plan's success. To establish a similar joint venture in engineering steels with a turnover of £500m-£600m. But agreement appears remote though the Department of Industry, which has played a key role in encouraging the company's formation, has not finally ruled out a deal.

GKN's failure to participate would be a blow to the Government. But Ministers would encourage British Steel to rationalize those engineering steels operations which it now owns through the formation of a free standing, but wholly owned, limited liability company.

The engineering steels rationalization plan, known as Phoenix Two, was designed originally to embrace the activities of British Steel, GKN, Dupont, Hadfield's and Round Oak Steels, once jointly owned by the corporation and Tube Investments.

Since then, Dupont's heavy losses have forced its withdrawal from the steel industry, involving a transfer of its steel processing activities to a British Steel subsidiary and closure of its Llanelli steelmaking plant with the loss of 1,100 jobs.

In April, the Llanelli-owned Hadfield's announced that it was to make almost 2,000 of its

Package threat to domestic tourism

By Derek Harris, Commercial Editor

It looks like 1982 will be a gloomy year for the already hard-hit United Kingdom home tourist industry as leading package tour operators offer still cheaper holidays overseas.

Intasun, Britain's third largest package tour operator, yesterday announced the lowest ever average price rise—2.5 per cent. The company hopes to win extra customers among the 25 million who spend their holidays within the United Kingdom. Only around 4.4 million Britons are expected to take holidays abroad next year.

Intasun's average increase—taking inflation into account—means the holidays will be 3 per cent cheaper than this year—gives a new twist to the price competition in the foreign package market.

Thomson, the market leader, has increased average prices by 5 per cent, although some holidays are down in price on brochure comparison. It is the same at Thomas Cook, while Portland, a leading direct-sell operator, is rising an average 7.5 per cent.

Global, the GUS subsidiary, is expected to announce average price rises well under 10 per cent next week. The same is expected from Cosmos, the second largest tour operator.

But the other factor is the big increases in numbers of holidays offered which the big operators are bringing in at a time when at best the 1982 package market is expected to rise by 5 per cent at the expense of the home market.

Intasun is increasing its capacity by 17 per cent to 550,000 holidays. Global is expected to go for a 30 per cent rise next week while Thomson has planned a rise of 11 per cent. Horizon 17 per cent and Thomas Cook 22 per cent.

Despite the challenge in the rest of the industry, Intasun's highly competitive pricing, it will not erode the company's profit margins, claimed Mr Harry Goodman, Intasun chairman. Like some other big operators, Intasun has been getting advantageous deals from hoteliers, particularly in Spain and Italy.

The financial performance of Intasun, due to release half-year profit figures in December, has been extremely encouraging, said Mr Goodman. Aircraft load factors—crucial to profitability—this year at Intasun have risen to 95.9 per cent, he added.

Thomson, in keeping its price rises down, has accepted some trimming of profit margins. Intasun's pioneering of the Florida market, which gave them a peak holiday sale there of 75,000, has now been overtaken by a surge of new competitors. The Florida programme is being expanded but sales are now expected to settle down to around 45,000.

Jetaway, the Associated Communications Corporation subsidiary, has sold 52,000 Transatlantic packages this year, up from 40,000 in 1980. Its share of the total package market now looks likely to go above 20 per cent.

Monetarism warning by banker

By Frances Williams

Europe's top central banker warned a London conference yesterday that monetary policy alone should not be made to carry the burden of the fight against inflation.

Herr Karl-Otto Pöhl, chairman of the Bundesbank, the German Federal bank, said the more it is called upon to do so, the longer and more severe would be the impact of high interest rates and worsening terms of trade.

Choosing his words carefully, to distance himself to some extent from open criticism of United States policy, he referred to complaints over the Federal Reserve Board's tough approach to curbing the money supply.

"The sooner that policy succeeds in dealing with inflation the better," Herr Pöhl asserted. He agreed with the basic objective. "It is inflation, and our apparent impotence in dealing with it, which is at the root of the instability that besets the international monetary system," he said.

| Stock Markets | |
|-----------------------------------|--|
| FT Index 473.3 up 9.0 | |
| FT Gilts 61.35 up 0.03 | |
| FT All Share Index 286.73 up 4.98 | |
| Bargains 14.161 | |
| Sterling | |
| \$ 1.8200 down 2.1 cents | |
| Index 87.3 down 0.7 | |
| New York: \$1.8220 | |
| Dollar | |
| Index 105.3 up 0.1 | |
| DM 2.2307 down 15 pts | |
| Gold | |
| \$ 437 up \$1.00 | |
| New York: \$431.50 | |
| Money | |
| 3 mth sterling 161-161 | |
| 3 mth Euro \$ 16-164 | |
| 6 mth Euro \$ 161-161 | |

PRICE CHANGES

| Rises | |
|--------------------|------------|
| AGS Research | 3p to 22p |
| Horizon Travel | 15p to 23p |
| Lasmo | 18p to 48p |
| Mercantile Hsc | 20p to 39p |
| M J Meyer | 4p to 15p |
| Praxair | 2p to 30p |
| Poly Peck | 20p to 30p |
| Premier Cons | 5p to 62p |
| Racal Elect | 12p to 40p |
| Sinclair | 14p to 35p |
| Ultramar | 20p to 48p |
| Falls | |
| Asam Frontier | 8p to 20p |
| Atlantic Resources | 10p to 26p |
| Butterfield Harvey | 1p to 20p |
| Cater Ryder | 5p to 28p |
| Change Wares | 3p to 39p |
| Conder Int | 5p to 15p |
| Foster Bros | 4p to 54p |
| Humbleigh Gp | 8p to 82p |
| Mothercare | 10p to 14p |
| Rowlinson Cons | 10p to 42p |
| Union Discount | 5p to 12p |
| Vogel | 5p to 12p |

Opec talks confirmed

The organization of Petroleum Exporting Countries (Opec) has confirmed that it will hold a special meeting in Geneva on October 29 to try to align its pricing policy.

Dr Subroto, the Indonesian energy minister and president of Opec, said that there was already a virtual agreement among the group's 13 members on unifying their prices.

He refused to be drawn on the level at which oil might be achieved, although \$34 a barrel has been widely predicted.

Rolls-Royce jobs talks

Mr Phillip Whitehead, and Mr Walker Johnson, the two Labour MPs for Derby are to meet the management and unions of Rolls-Royce, after an indication that about 15,000 workers at the company will lose their jobs over the next five years.

Rolls-Royce expects to shed about 4,000 jobs this year, Mr Dennis Head, managing director for operations, told employees: "In some areas we may have to make use of compulsory redundancy, although I assure everybody this would always be a last resort."

Productivity is 30 per cent below that of the company's main aero-engine competitors.

Mr Johnson said that he would find out if government assistance would be available.

The Department of Industry has issued a 34-minute film entitled *Rolls in Industry* as part of the Government's campaign to persuade British companies to invest in industrial robots.

BUSINESS BRIEFING

No boom at the inn

Lex Service Group, the motors trader which has just diversified into electronics components in the United States, is ending its connection with the hotel business by selling its last international hotel and ending a long-term management contract of the Carlton Tower Hotel (right) in London's Knightsbridge.

The International Hotel at Baltimore-Washington, Maryland, in the United States is being sold to BWI Inn Associates for \$5.5m (nearly £3m). With the buyers taking on two mortgages, the deal yields Lex about £2m in cash. Another £4m comes from Proteus, to which Lex sold the Carlton Tower in 1977 and which is buying the 16-year balance of Lex's management contract.

In the past year Lex has sold hotels at Gatwick and Heathrow in Britain and others in Chicago, Houston and New Orleans. Lex believed it had moved too late into the hotel business.

Wimpey offers 7½pc loans

Wimpey Homes is offering mortgages of only 7½ per cent, half the building societies' basic rate, to all its new home-buyers from tomorrow for 12 months on loans up to £25,000. It is also offering an "expenses paid" package covering legal, and survey fees and stamp duty on houses up to £30,000 and will consider buying purchasers' existing homes.

Bank changes name

The People's Bank is changing its name to the People's Trust and Savings after losing its recent appeal against the Bank of England to retain its former name.

People's Trust which is a subsidiary of Provident Financial, addresses the Institute of Personnel Management annual conference at Harrogate.

Mr John Wakeham, Parliamentary Under-Secretary of State for Industry, is to make an announcement in London on the future of the Department of Industry's Manufacturing

Science park for Glasgow

The Scottish Development Agency is to seek planning permission for a 15m "science park" which could create 500 jobs in Glasgow. The "park" would be an industrial estate of small units with specialized facilities for science-based high technology industries.

The agency said the park with backup support from Glasgow City Council, would help to attract "innovative" companies.

Inquiries have already come from established companies and individuals wanting to develop or research new products.

Credit to Fraser

More than 100 new jobs are to be created in Glasgow by the House of Fraser stores group which is to set up its central credit unit in the city.

The company is to receive government aid under the office and service industry scheme, the amount based on the number of jobs created. The centre will handle credit procedures for all 116 of the group's stores.

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Charrington prices rise

Beer will cost more in 1,600 Charrington public houses in London and the South-east from next Monday. The company is increasing the prices of most of its beers in its managed houses by between 2p and 4p a pint.

It expects that tenanted houses will make similar increases, but there will be no change in the price of Toby bitter and Hemmeling lager. Charrington said that the price changes were the result of ever increasing costs.

Construction orders stable

Construction industry orders for August were £38m, virtually the same as the previous month, while the quarterly total was 21 per cent higher than the same period last year at £1,089m. Part of the increase is attributable to the £150m order for the new terminal at Heathrow Airport.

Advisory Service for smaller firms

The British Standards Institution holds its annual meeting. The council of the Confederation of British Industry holds its monthly meeting in London.

Companies reporting results include: Telephone Rentals, British Home Stores, Kalamazoo, Hawker Siddeley and Sun Life Assurance.

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IN BRIEF

Japan urged to reduce trade gap

A Japanese economic mission touring Western Europe has urged its government to redouble efforts to open the Japanese market to avert threats of protectionism in the European Community, the Foreign Ministry said in Tokyo.

The mission, led by Mr Yoshihiro Inayama, president of the Federation of Economic Organizations, said in a report to Mr Zenko Suzuki, the Japanese Prime Minister, that sharp increases in some Japanese exports are causing political and social problems in EEC countries.

Some EEC countries, the report said, might be unable to resist the pressure for protectionism if their trade imbalance with Japan continued.

Dutch deficit

Dutch visible trade showed a provisional deficit of 419 million guilders (about £93m) in August, compared with a 19 million shortfall in July and a 789 million deficit in August last year, the Central Statistical Office in The Hague reported.

S Africa car sales

Sales of new cars in South Africa reached a record 27,626 in September, up from 23,649 in August and 26,490 in September 1980, according to the National Association of Automobile Manufacturers in Johannesburg.

Brazil devalues

Brazil devalued its currency, the cruzado, by 13.53 per cent on Monday to 112.16 to the United States dollar to buy and 112.72 to the dollar to sell.

Trading group

Zambia is to convene a 17-nation summit in December to form a regional preferential trade agreement in east, central and southern Africa, Mr Siseke Mwale, special government aide for economic cooperation, announced in Lusaka.

Swedish output

Sweden's industrial production index was estimated at 126 for August, compared with 130 for August 1980. (1968 equals 100).

Credit for Poland

Japan is to extend a \$30m (about £16m) export credit to Poland for the purchase of industrial plant and related equipment.

EEC regional aid 'fails to help small businesses'

Member governments of the European Community last year spent more than £2,700m on regional incentive schemes to encourage economic development in areas hit by high unemployment and decline of traditional industries.

That was the estimate made in a detailed study published yesterday which criticized the failure of many governments to introduce incentives which specifically met the needs of small firms and service industries. Both were areas which had been neglected in overall regional policy.

The study noted that in many European countries the trend has been to cut back on regional incentive expenditure in real terms although the cuts have largely taken the form of reduced area coverage rather than lower incentive values.

The main reduction occurred in the United Kingdom. As a result of regional policy changes introduced by Sir Keith Joseph, former Industry Secretary, more than two years ago when categories of assisted areas were redesignated.

But the report said that the effect of changes in Britain should not be underestimated. The main United Kingdom incentive — the regional development grant — is no longer available in the so-called intermediate areas and, as a result, the grant is now limited to areas holding less than 22 per cent of the British working population compared with almost 44 per cent previously.

The study, produced by the Centre for the Study of Public Policy at Strathclyde University, showed that in terms of incentive expenditure per head of population, Ireland, Italy and Northern Ireland lead the rest of the Community.

The Irish package amounts to an average of £32 per head annually followed by Italy at £12.5. The United Kingdom figure is £10.

The report is also critical of the EEC Commission's competition directorate and its so-called "co-ordination solution" under which ceilings are set for each of the Community regions in terms of the aid that they can offer. The competition directorate also curbs the type of incentive which countries can offer.

European Regional Incentives 1981, edited by Douglas Fullin and Kevin Allen. University of Strathclyde, Glasgow. Paperback £17.50; case £25.

UK merchant fleet 'pricing itself out of market'

By Michael Bailey, Shipping Correspondent

The British merchant fleet is pricing itself out of the world market because of mounting costs, according to the General Council of British Shipping.

The council yesterday disclosed that, at 32.3 million tons, the British fleet had shrunk by a third in five and a half years.

This was underscored by figures showing that 17 ships totalling 600,000 tons deadweight — cargo liners, tankers, bulk-carriers and roll-on, roll-off vessels — left the British fleet in August.

So far this year, 30 ships of 3 million tons have been lost to the United Kingdom registry.

Some of the tonnage was scrapped, but most were sold to foreign flags where they could be operated more cheaply.

Adverse trading factors were partly responsible, the council said, but the key factor was undoubtedly the British fleet's lack of competitiveness in which manning costs were paramount.

"The plain fact is we are pricing ourselves out of the market," a spokesman said. "It is going to be a long hard struggle to restore the competitiveness of the British fleet, but it is a fight we must win if we are to survive as a leading maritime power."

The industry is preparing a response to a National Union of Seamen wage claim said to be worth up to 30 per cent, after last year's 12½ per cent.

Meanwhile, the Norwegian liner Blenheim is immobilised at Plymouth by 150 British seamen trying to prevent it "flagging out" to Danish ownership and Bahamian registration.

Energy industry wants more details of Whitehall proposals Pipeline problems in gas sell-off plan

By Michael Frost

The energy industry has so far reacted cautiously to the announcement of the Government's intention to denationalize parts of the British National Oil Corporation and the British Gas Corporation. Oil companies' appetites are whetted, but they have been given no clear indication of the fare they may enjoy.

Nevertheless, one view gaining ground is that British Gas will be more affected than BIOC. The latter, after all, will not be broken up. On present interpretations it will be obliged to sell stakes in the corporation, but not the assets. British Gas, by contrast, will have to dispose of its holdings in five North Sea oil fields, the Wyth Farm field in Dorset and relinquish its monopoly over gas sales.

Companies working alongside British Gas in the North Sea fields were careful yesterday to stress that, without knowing the terms of the oil asset sales, they were not rushing to make offers. At the same time, however, they admit that, at any reasonable price, these oil stakes are well worth acquiring. Despite the recent vigorous complaints, the North Sea tax regime is not seen as an obstacle.

The British Gas North Sea oil interests consist of two producing fields and four fields under development. Beryl A, in which the corporation has a 10 per cent holding, is operated by Mobil and produces about 5 million tonnes of oil a year. Montrose is operated by Amoco, and is a smaller field producing 1.4 million tonnes a year, of which the British Gas share is 30.8 per cent.

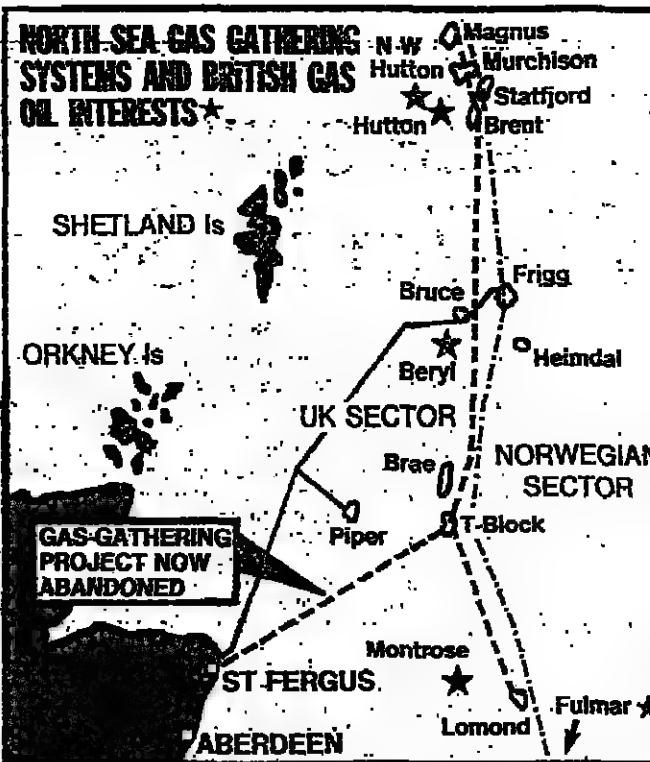
The four fields under development are Beryl B, operated by Mobil and due to come into production in 1984, and Fulmar, Hutton and North West Hutton in each of which the joint licence holders are Amoco and British Gas. Fulmar and North West Hutton are scheduled to start pumping next year, followed by Hutton two years later.

Estimates of the value of the corporation's stakes in these fields range from £500m to £800m.

Valuable though these assets are, what will hurt the corporation most is the loss of its gas monopoly. Under the proposals announced by Mr Nigel Lawson, the Energy Secretary, its right to sell all gas will be removed and, instead, it will control only gas sold to domestic users, opening up the market in gas to industrial customers.

British Petroleum, a company to which North Sea energy is very important and which has 50 per cent of Wyth Farm, said: "The legislation is a useful step. It should give the oil companies the choice of not selling gas to British Gas, but of making their own arrangements for its disposal in the United Kingdom. Equally, the companies should be free to lay their own pipelines or to use British Gas networks at a reasonable tariff."

Herein lie the difficulties. Here the oil companies' interests are conflicting with the North Sea producing companies' own pipeline from the wells to the shore. The exceptions are the Leman and Indefatigable gas fields near East Angles where British Gas is joint operator. The landed gas is treated by the oil companies in their own



plants and only the gas sold to the corporation, usually to neighbouring installations.

Once on land, the gas is distributed through a national grid entirely owned and operated by British Gas. The problem therefore is how sales by oil companies or others through this network to particular customers can be separated from British Gas sales. The picture is further complicated by the fact that the corporation will presumably not lose all its industrial customers.

Most of these, moreover, have contracts with several years to run. Legislation abolishing the British Gas monopoly of industrial gas sales might therefore also have to allow renegotiation of such contracts.

Most problematic is the alternative of building private pipelines. The cost of new pipelines through a crowded island is very high, and it might only be economic to construct them to industrial centres, for example the Midlands and north east of England. Yet it is precisely here that competition from the existing British Gas network would be stiffest.

Lucas strike leaders accused in walk-out

By Clifford Webb

Sixty members of a white collar union walked out of a meeting of Lucas Aerospace strikers in Birmingham yesterday in protest at the way a meeting was being conducted. They said they would join colleagues already returning to work.

But in their absence the meeting voted by a two-to-one majority to continue the week-old strike by 1,500 staff and manual employees which has halted production at two factories.

The walk-out was staged by members of TASS, the white collar section of the Transport and General Workers' Union. They claimed that shop stewards of the other unions involved — the TGWU, the Amalgamated Union of Engineering Workers, and the Association of Professional, Executive, Clerical, and Computer Staffs (APEX) — had refused to allow them to vote at separate meetings for each union.

The dispute follows Lucas Aerospace's refusal to make extra payments to 50 employees at the Sharncliffe Lane and Marston Green plants for working with new technology, including visual display computers. Management threatened to dismiss all 50 last Tuesday and the walk-out force walked out.

Lucas says it cannot afford to be penalized every time it introduces new technology to stay competitive in the world's most competitive business. It denies the strikers' claim that it has made extra payments elsewhere in its aerospace plants, but admits that it has done so in other parts of the group.

Lucas said last night: "All our companies are highly autonomous and subject to different pressures and priorities. Aerospace management has never made any payment to workers for accepting new technology, although there may have been some rationalization of rates."

Scrip issue as Saga tops £3m

By Our Financial Staff

Pretax profits of Saga Holidays, the specialist in holidays for people over 60, rose from £2.4m to £3.1m in the year to last June. The final dividend is being increased to 11.42p a share, making a total of 16p for the year, against 12.8p gross, an increase of 24 per cent.

Turnover of the group, which has recently moved into leasing, rose from £25.9m to £30m and operating expenses increased from £24.6m to £28.4m. The operating profits of Saga were £1.6m, against £1.5m, while net investment income rose from £1.1m to £1.5m.

The retained profit for the year came out at £2.4m, compared with £1.8m, and earnings per share jumped from 39.36p to 51.57p. Apart from the increase in the dividend, the group is also



Mr Sidney De Haan, chairman of Saga Holdings

making a scrip issue of two shares for every one held. This requires resolutions to be passed at an extraordinary meeting, which will be held immediately after the annual meeting on December 11.

Mr Sidney De Haan, the chairman, said in a statement: "The future looks encouraging. Current bookings for our winter programme are well ahead of those achieved last year and the forward bookings for our spring programme show a similar increase over the position last year at the comparable date."

Our two new major tour operating projects have started well. Take Five, our holiday programme for family holidays, has a satisfactory launch, producing a small contribution to turnover and profits.

Confident Peachey up 21.5pc

By Catherine Gunn

Profits of Peachey Property rose by 21.5 per cent to £4.7m before tax for the year to June 24 and the dividend effectively has been increased by more than two-fifths, to 6.43p gross, adjusting for October 1980's rights issue. The shares rose 6½ to 133p yesterday.

Sir Charles Hall, the chairman, expects further satisfactory progress. Mr John Brown, managing director, said yesterday that a £720,000 increase in net rents, to £3.8m, reflected three months of the Avenue close acquisition and rent review.

The group continues to look for additions to its already wide spread property interests.

An £8m surplus on a property revaluation of £78.4m contains £1.75m of Avenue Close property.

Group interest payable fell by £173,000 to £528,000 because Peachey is now capitalizing the interest costs of developments until completion.

Bank Base Rates

| | |
|----------------------|---------|
| ABN Bank | 15 1/4% |
| Barclays | 15 1/4% |
| BCCI | 16% |
| Consolidated Credits | 16% |
| C. Hoare & Co | 15 1/4% |
| Lloyds Bank | 15 1/4% |
| Midland Bank | 15 1/4% |
| Nat Westminster | 15 1/4% |
| TSB | 15% |
| Williams and Glyn's | 15 1/4% |

* 7 day deposit on sums of £10,000 and over, 2 1/2%
£50,000 and over, 3 1/4%

Marks & Spencer

The unaudited results of the Group for the first half of the financial year ending 31st March 1982 are announced as follows: —

| | 26 Weeks Ended: | | Year Ended |
|---|-----------------|-----------------|-----------------|
| | 26th Sept. 1981 | 27th Sept. 1980 | 31st March 1981 |
| GROUP SALES (excluding VAT and other Sales Taxes) | | | |
| | £m | £m | £m |
| United Kingdom Stores | | | |
| Clothing and other merchandise | 550.0 | 502.9 | 1,121.5 |
| Foods | 340.5 | 285.8 | 617.7 |
| | 890.5 | 788.7 | 1,739.2 |
| Overseas stores | | | |
| Europe | 19.6 | 15.7 | 33.3 |
| Canada | 42.3 | 30.2 | 78.1 |
| Direct export sales outside the Group | 10.7 | 10.9 | 22.3 |
| | 963.1 | 845.5 | 1,872.9 |
| GROUP PROFIT BEFORE TAXATION | | | |
| The United Kingdom (Note 1) | 85.5 | 69.5 | 176.8 |
| Europe | 1.1 | 3 | 1.9 |
| Canada | (.6) loss | (.9) loss | 2.5 |
| | 86.0 | 68.9 | 181.2 |
| TAXATION (Note 2) | 41.1 | 31.7 | 80.6 |
| GROUP PROFIT AFTER TAXATION | 44.9 | 37.2 | 100.6 |
| Profit/(Loss) attributable to minority interests | (.3) | (.4) | 1.1 |
| PROFIT ATTRIBUTABLE TO MARKS AND SPENCER p.l.c. | 45.2 | 37.6 | 99.5 |
| Earnings per share | 3.46p | 2.89p | 7.62p |

The Directors have declared an interim dividend of 1.75p per share, compared with 1.5p last year, an increase of 16.7%. This dividend will be paid on 15th January, 1982 to shareholders whose names are on the Register of Members at the close of business on 13th November 1981.

- Notes on 26 weeks' figures: —
- The figures include the profit earned on sales of fixed assets of £0.8 million compared with £1.1 million for the half year, last year and £3.2 million for the full year, last year.
 - The taxation figure for the first half of last year has been adjusted to reflect the actual rate of taxation on the year's profit.
 - The figures have been prepared on the historical cost basis of accounting. On the current cost basis of accounting, the half year's profit attributable to the Company is £41.1 million compared with £33.2 million last year, and £90.9 million for the full year, last year.
 - The results of overseas subsidiaries have been consolidated using exchange rates ruling at 26th September 1981. Because of the recent weakness of sterling, Canadian exchange rates in particular are materially different from those used last year, and this has distorted the comparative figures. Expressed in Canadian dollars, sales in Canada increased by 9.1%, and losses were 51.1% lower than in the first half year last year.



USM quotation for agricultural group

By Margaret Pagano

Investors will have the chance to follow the fortunes of a West Country family agricultural concern when it comes to the United Securities Market next week.

Sheldon Jones, formed in 1964 by the merger of two family businesses, both over 100 years old, is releasing 12.3 per cent of its 5.12m shares in issue to the market. The placing, handled by Country Bank, is for 660,752 shares of 25p each, at 67p a share, which capitalizes it at £35m. Dealing is expected to start on Monday.

The group makes animal feedstuffs and supplies materials to dairy, pig and poultry farmers in the south west of England.

Mr Thomas Walker, Chairman, estimates that Sheldon Jones has some 20 per cent of

market share in the 'Somerset/Avon region.

Sheldon Jones's reasons for coming to the market are twofold. With a majority shareholding many of the family members wished to diversify their investments and the USM was seen as a useful means of raising finance for expansion.

Pretax profit forecasts for the year to May 1982 are not available, because of the seasonal nature of the business, but the year has started well. For the last year, to May, Sheldon Jones made pretax profits of £761,000 on turnover of £11.7m. At the placing price Sheldon Jones has a historic price earnings multiple of 7.4 and on the forecast dividend of 5p this represents a gross yield of 7.5 per cent.

Sharp rise at FJC Lilley

Profits of F J C Lilley, the Glasgow-based civil engineer and builder which is bidding £8m for MDW Holdings, rose by 29 per cent to £3.55m before tax in the six months to July 31. The figure was boosted by £635,000 in interest earned on deposits after last October's one-for-four rights issue.

The first-half dividend has been raised by 10 per cent to 10p. The directors plan a similar increase in the final.

Sales went up by 16.4 per cent to £55.1m. The first-half figures do not include Amey, a subsidiary which has contributed profits from two summer acquisitions, B W Currow and Petro-Chem Construction.

The agreed offer document for MDW Holdings will be posted shortly.

Ductile Steel loss

Ductile Steels plunged from a pretax profit of £3.5m to its first-ever loss of £2.2m in the year to June 27. The dividend was cut from 10p gross to 6.4p, a payment made possible by a recovery in the second half with a profit returned in the quarter to September.

The recovery followed cuts

Yearling bonds

The coupon on this week's batch of local authority bonds is 15½ per cent, against 15½ per cent last week.

Argyll-Linford

Pannure Gordon, acting on behalf of Argyll Foods, has purchased in the market 695,000 Linford Holdings ordinary shares at 170p, and 250,000 at 189p. Argyll, together with an associate, now holds in aggregate 10.7m Linford shares, some 24.3 per cent. Argyll also owns £550,000 nominal of the Linford 12 per cent convertible loan stock.

Walter Lawrence

Although turnover of Walter Lawrence dipped from £31.5m to £30.5m in the six months to June 30, taxable profits rose from £580,000 to £660,000. The first-half dividend has been held at 3.6p gross.

Business appointments

Lloyds Bank promotion

Mr B. L. Pitman, deputy chief executive of Lloyds Bank International, has been made deputy group chief executive of Lloyds Bank from January 1.

Mr Robin Biggam has become finance director of ICL with a seat on the main board from December 1. He is a deputy treasurer of Imperial Chemical Industries, and recently seconded to Carrington Virella as executive director with responsibilities that include finance.

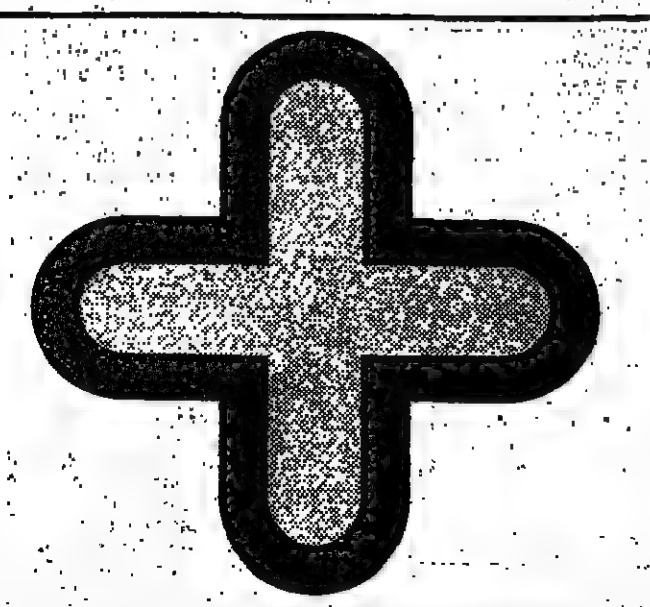
Mr M. J. Moore has been named chief executive for the adhesives and sealants division; Mr A. J. Green, chief executive, Dussak Campbell division; Mr L. W. Pilgrim, finance director and Mr C. H. E. Cook, personnel director of Burnham Speciality Chemicals, a wholly-owned subsidiary of The Burnham Oil Company.

M. J. H. Nightingale & Co. Limited

27/28 Great Lane London EC3R 8EB. Telephone 01-621 1212

The Over-the-Counter Market

| 1980/81 | 1981/82 | Company | Price | Chgd | Div | Gross Yield | P/E Ratio |
|---------|---------|-----------------------|---------|------|------|-------------|-----------|
| 74 | 100 | ABF Holdings 10% CULS | 110 | — | 10.0 | 9.1 | — |
| 76 | 29 | Airspan Group | 69 | — | 4.7 | 6.8 | 11.0 |
| 52 | 21 | Airbridge & Rhodes | 49 | — | 4.3 | 9.8 | 8.7 |
| 200 | 92 1/2 | Bardon Hill | 193 | — | 9.7 | 5.0 | 9.4 |
| 104 | 88 | Deborah Services | 97 | — | 5.5 | 5.7 | 4.8 |
| 126 | 88 | Frank Horrell | 115 | — | 6.4 | 5.6 | 10.4 |
| 110 | 38 | Frederick Parker | 69 | — | 1.7 | 2.8 | 26.1 |
| 110 | 50 | George Blair | 50 | — | — | — | — |
| 102 | 35 | IPC | 96 | — | 7.3 | 7.6 | 10.4 |
| 113 | 59 | Jackson Group | 96 | — | 7.0 | 7.3 | 10.0 |
| 130 | 103 | James Burrough | 108 | — | 8.7 | 8.1 | 7.9 |
| 334 | 244 | Robert Jenkins | 285 | — | 31.3 | 11.0 | 4.0 |
| 59 | 50 | Scinturus "A" | 53 | — | 5.3 | 10.0 | 8.2 |
| 224 | 187 | Torday Limited | 187 | — | 15.1 | 8.1 | 7.2 |
| 23 | 8 | Twinklford | 139 1/2 | — | — | — | — |
| 50 | 68 | Twinklford 15% ULIS | 77 | — | 15.0 | 19.5 | — |
| 56 | 34 | Unilock Holdings | 34 | — | 3.0 | 8.8 | 6.1 |
| 103 | 31 | Walek Alexander | 84 | — | 5.4 | 7.6 | 9.8 |
| 263 | 181 | W. S. Yates | 225 | — | 13.1 | 5.8 | 4.3 |



APEX PROPERTIES LIMITED

(Property Investment and Development)

Salient points from the statement of Mr John de Vere Hunt, the Chairman, presented at yesterday's Annual General Meeting.

Profits after tax are £344,453, compared with £354,496 last year. A final dividend of 1.3p per stock unit is proposed, making a total of 2p for the year which is the same as last year.

We intend to carry out a complete refurbishment of one of our office buildings in New Malden, Surrey, at a cost of approximately £318,000. Work will be completed by the end of the year and we are confident that the works proposed will substantially increase the value of the building and ensure that a satisfactory letting is achieved on completion of the works and also that maximum rents will be obtained on future rent reviews.

Your Board state that in its opinion the present value of the Group's properties is approximately £10m in excess of the book figure. When the refurbishment at New Malden has been finished and the above let, it is our intention to have the Group's properties professionally valued.

BY THE FINANCIAL EDITOR

Tremors from the statistics

Financial markets had been awaiting yesterday's September trade figures with more than usual interest. These were the figures that were going to show just how great had been the deterioration in our foreign trade balance since trade figures went off the air at the end of February. In turn, this news — or so it was hoped — would remove some of the recent uncertainty from markets and offer a pointer as to how sterling and domestic interest rates might behave over the rest of the autumn.

In the event, the domestic response to the figures was fairly muted, except on foreign-exchange markets where sterling slowly slid away to finish 2.1 cents lower at \$1.82. But while the modest surplus (£13m) on visible trade was, if anything, rather better than some City forecasts, the composition of the figures is hardly reassuring.

What we do not know at this stage is whether the September figures exaggerate the trend, or, indeed, what the path of the trend has been since the late spring. Has it been gradually upwards, or has it been rapidly accelerating over the past couple of months? Similarly, one might well ask whether the much more modest, but none the less welcome, improvement in export volume has followed a similar or totally different path from that of imports.

This is clearly a gap that it would be nice to fill in. In fact, by the time a reasonable sketch is eventually completed, it will probably be of strictly historic interest only. Markets will now have to wait on the October figures for more guidance. But in the meantime the further sharp reminder of the United Kingdom propensity for imports may not bring much comfort to a currency so susceptible to massive capital outflows.

Encouraged by a spate of tax concessions, and the introduction of "put options", this summer, more stockbrokers are eyeing the traded options market. Scrimgeour Kemp-Gee will make their debut next month and Greenwell are looking closely at the opportunities. While the market's detractors remain firmly unconvinced that London's traded options will ever provide the bonanza of Chicago, Scrimgeour expects the market to take off rapidly in the next year. Of course, that is what the protagonists have been hoping every year since the market began in April, 1978, when the number of contracts on a good day was 1,000. It was not until "puts" appeared this year that the average daily level rose from about 1,000 to 2,000 contracts now. The market's supporters continue to argue that even Chicago had a slow, if less shaky, start.

Guinness Peat

A house divided

The public airing given over the last fortnight to Guinness Peat's internal dissensions could not have come about at a worse time, with the group about to announce a big acquisition in conjunction with its United States money-broking side Noonan, Astley and Pearce which it clearly sees as an important step towards transforming the shape of the company.

Mr Dell and the professional managers around him have increasingly wanted to reduce the dependence on commodities and provided more reliable and stable sources of profits which has plainly not suited Lord Kissin's more buccannery approach. The latest profits setback must have concentrated the mind wonderfully and the conclusion seems to have been reached that certain parts of the group are not pulling their weight. The manufacturing and processing side is being tidied up but the biggest headache lies with the Guinness Mahon banking arm which is not paying its way in group terms. Some form of joint partnership relieving Guinness Peat of the financing burden would seem to be the ideal solution and developments along these lines could come quickly.

Meanwhile, the amount of share buying in Swiss nominee names has touched a raw enough nerve for the board to ask for the identities behind these accounts to identify themselves which may lead to disenfranchisement if they continue to keep mum. The buying may only be speculative at this stage but the group has been exposed in a way which has prompted bids in many similar cases. Clearly, the present management could not count on Lord Kissin's backing which may or may not be important depending on what support he can muster amongst shareholders.

Paterson, Zochonis

Caution on Nigeria

Given the depth of political and trading knowledge in West Africa spanning almost a century, the warning from Paterson, Zochonis that current profit figures are unlikely to match the record £29.5m a 35 per cent gain just announced should be taken seriously. Nigeria is without doubt its largest single profit earner and it is trading conditions there which form the basis of Paterson's caution.

The grocer turned fridge manufacturer is investing heavily in white goods manufacturing in Nigeria: £25m last year and the same again this year, but although this diversification has provided a large bulk of the 20 per cent sales increase to £266m, little has come through to profits. Full benefits here will not be felt for three years.

Clearly alert to suggestions that Nigeria will at some stage tighten its grip on foreign companies, Paterson is funding capital expansion locally. In January it raised £18m with a loan stock on the Nigeria stock exchange topped up with borrowings from Nigeria banks. Although associates are as at 50 per cent geared, the group's balance sheet is clear free showing cash and short-term deposits a third higher at £51m.

Bolstering profits this year was the performance of Imperial Leather group, Cussons, part of Patersons since 1976 and in which it has ploughed £8m into UK factories in the past two years. The bottom line has also been helped by a 13.3m write-back of deferred tax and profit retained rose from £8.3m to 25.8m. But unless a greater spread of geographical earning potential is achieved, Nigeria will continue to be the barometer of its fortunes. The stock market took caution on board yesterday with the voting shares closing 2p up at 120p and the "A", 7p ahead at 123p. June's scrip issue and a 23 per cent increased total dividend still leaves it one of the lowest yields in the sector, but that should be enough to persuade shareholders to ride out any storm this year, given the group's impressive management record.

Reardon Smith

Bid possibilities

The half year results of Reardon Smith, which runs a small fleet of bulk carriers from a base in Cardiff, are about what could have been expected given the collapse in freight rates. For the six months to September the group managed to produce virtually unchanged profits of £641,000, and because of the availability of capital allowances it is unlikely that any tax will be payable for the half year. But the figures were helped by the strength of the dollar against the pound which to a certain extent disguised the deterioration in trading conditions.

The company has no illusions about how difficult conditions have become and it wisely gives warning that the position will remain extremely serious for the rest of the year. So there must be the possibility of Reardon making a fairly hefty loss in the second half to the point it might only just break even for the full year.

Why the trade figures are so worrying

David Blake

Yesterday's trade figures are among the most puzzling economic statistics published in recent years. Both imports and exports seem to have grown significantly during the six months March to August — for which we have no real information because of the Civil Service strike.

If the September figures establish a new trend we are set for sharply higher imports and slightly higher exports than we saw in the early part of the year.

The obvious explanations for the growth of imports would also suggest that we ought to be seeing falling exports. So by their very nature the figures carry a warning that this month alone we have to be careful not to read too much into one month's statistics.

That said, they make fascinating and worrying reading for anyone interested in the future of the economy. The volume of imports of all kinds went up markedly between the spring months and September. If erratic items are excluded, the volume of imports in September was above the levels recorded in 1979, just before the recession hit.

This is not simply a matter of industry loading up with raw materials for a recovery. There have been bigger increases in imports of manufactures than there have been in the growth of raw materials imports. Consumer goods imports were up by

about 20 per cent from their level in the first quarter of the year and capital goods by 35 per cent.

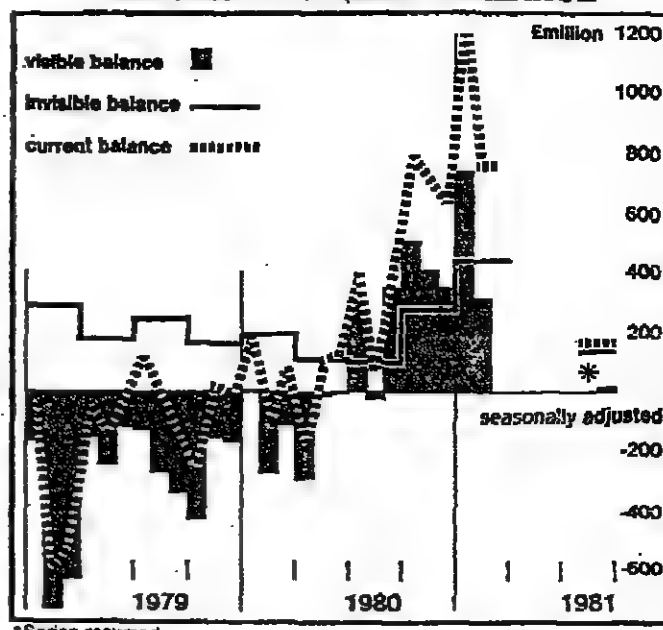
There are two obvious kinds of explanation for this. One is that the economy was expanding rapidly in the months leading up to September, sucking in imports in the process. All previous booms have shown a big upsurge in imports; the trade figures could be interpreted as telling us that such a boom is under way now.

The trouble with that is that there is no sign of where the goods are going. They are certainly not being bought in the high streets, where retail sales are weakening. So the import recovery must be going to build up stocks in the country's warehouses.

That suggests that stocks are being built up very fast. But this in turn does not fit easily with the figures we have from manufacturing industry in Britain, whose output is not growing particularly rapidly, indeed may not even be growing at all, though it has stopped falling.

The conclusion to which this leads is that any recovery in stocks, which the Government has looked to as one of the driving forces for recovery over the next few months, will be met heavily by imports instead of British goods. Worse, when importers find that they are faced with weak British demand and high interest rates they may want to run down their stocks again, perhaps putting further

BRITAIN'S PAYMENTS BALANCE



Series resumed

pressure on the British market.

That all suggests that after a fairly buoyant third quarter, we may see renewed weakness at the end of the year before a new upturn next year. It also suggests the second possible explanation for the rise in imports, which is that the loss in competitiveness caused by the overvaluation of the pound is at last starting to come home to roost, with British goods being priced out of the United Kingdom market. That solution makes perfect

sense. Unfortunately, it flies right against the evidence from the other side of our trading account. It is not simply imports which have probably risen over the past six months. So, too, have exports, not just in value (that could be explained by price rises), but in volume.

We know that the world economy has been pretty stagnant throughout most of 1981, with trade growth at 2 per cent a year or less. Yet the volume of exports in September was up by more

than 5 per cent compared with the level in the first two months of the year. That means that after nearly three years in which the pound rose sharply and Britain became the least price competitive country in the world, our share of world trade actually grew between February and September. That does not seem to point to industry being unable to compete; and to that extent it is inconsistent with the import figures.

Could the September figures be just a freak? There is obviously a problem when you start counting something that you have not counted for many months. It may be that the import and the export figures for the month are inflated because the authorities have accidentally included in them something which should have been recorded earlier.

It may be that it is one of those freak months, though it is very unlikely that the figures could deviate from the trend by more than about 8 per cent.

The jury will have to stay out on these questions until we get a full run of figures back to when the strike began. But the admittedly very tentative conclusion which seems to follow from yesterday's figures is that the days of our trade surplus are now sharply numbered. A current account deficit by the end of 1982 now looks a distinct possibility.

Will the door be slammed on UK insurers?

An initiative is under way to lift the restrictions on the EEC market for big industrial and commercial insurance risks. If it falls through, British insurers may have to wait another five years for a further chance to get into Europe.

Brussels

Unless something very surprising happens over the next two months, one of Britain's most successful industries will be kept out of the EEC market for at least the next five years.

Time is running out for Britain's attempt to liberalise the European market for large-scale industrial and commercial insurance risks. The European Commission, which is the EEC's executive body, has been asked to prepare a report on the proposed EEC directive to create a genuine common market for large-scale non-life risks in the insurance field.

If so, the result would be a continuation of the present restrictive insurance market in Europe, which is costly for industry and deprives the United Kingdom of a chance to increase its invisible earnings.

The European Community will be celebrating the twenty-fifth anniversary of the Treaty of Rome next year, but it is as far as ever from providing the freedom of services enshrined in Article 59 of the treaty.

It is now 19 years since the Community decided to press for a common market in services and six years since the Commission first produced its draft directive to free the non-life insurance market. But today it is still impossible for a large multinational European company to buy just one policy to cover all its risks. It is forced to insure in national markets with expensive local insurance companies, which have to often grow fat on the protection afforded by their national supervisory offices.

The Commission's draft to liberalise non-life services came into prominence at the beginning of this year. After having been chewed over in working groups and shuffled from one bureaucratic pigeon-hole to another, it was

suddenly elevated to the status of a political issue.

The reason was that the Dutch took over their six month's occupancy of the EEC presidency. Holland is the only EEC member state, apart from Britain, which has an extensive and long-standing freedom of services in the Community. Its tenure of the presidency, followed straight away by that of Britain, raised hopes that progress might at last be achieved in the insurance field.

But Monday's meeting showed that a great many problems remain. The directive as it stands is a drafter's nightmare of square brackets and alternative forms of words. The simple objective of Article 59 has been lost in a welter of proposed exceptions, exemptions and weak enabling provisions.

While Britain and Holland are keen to see the non-life services directive enter Community law, the others are lukewarm to hostile, their reasons ranging from concern over the protection afforded to consumers under any liberalization, as in West Germany, to fears that the directive might mean the loss of a significant source of taxation, as in France. But perhaps the overriding consideration in most member states is a feeling that, if things have worked well enough to date, why change them now?

The British Government and Mr Christopher Tugendhat, the Commissioner responsible for financial affairs, have been stressing the freedom of services is a right enshrined in the Treaty. The services sector is also an area in

which the United States is mounting a campaign for worldwide liberalisation and the continuation of a dirigiste regime in the EEC is likely to create friction across the Atlantic and reduce the European industry's ability to meet any eventual competitive challenges from outside the EEC.

Lloyd's of London and other British insurance organizations have been actively lobbying the Government and the Commission to stiffen their resolve to push the directive through, but it is now little more than two months before Britain hands over the EEC presidency to Belgium, which has one of the most restrictive insurance markets in the EEC.

Hopes for a breakthrough rest largely on persuading the West Germans to support the liberalising directive. The German position is distinctly contradictory. On the one hand, the Bonn government likes to pose as the defender of the free market economy in Europe and is the scourge of intra-EEC barriers to visible trade; but it also defends one of the most restrictive supervisory authorities to exercise control over an EEC insurance industry.

The reasons are partly historical. Germany's bankruptcy after the First World War ushered in a period of

financial crisis from which the insurance companies were not spared. A tight control over the industry was justified after the Second World War to help stimulate the growth of a property-owning democracy.

But the rebuilding of German economic and political life is now a long way in the past. Furthermore, the present non-life directive is not intended to liberalise the mass risk market, where the average consumer's interests lie, but merely that for large industrial, commercial and professional risks — areas where better and cheaper services could be expected to benefit West German industry.

These points must be known to both Dr Otto Graf Lambsdorff, the West German economics minister and the most prominent free marketeer in the Bonn cabinet, and Herr Eberhard von Brauchitsch, who has been named as the next president of the West German federation of industry, the BDI.

Graf Lambsdorff was a member of the board of the Colonia insurance group before becoming economics minister. The Flick industrial group, in which Herr von Brauchitsch is a managing partner, recently took control of the Gerling insurance concern, a major insurer of

industrial risks, and was given favourable tax treatment by the government because its investment was deemed to be especially beneficial for West Germany's industrial structure.

Even if the West Germans can be persuaded to back the initiative, a host of problems remain. The French have so far shown little willingness to compromise on the tax issue, while the Italians were reported to have been extremely obstructive on Monday, arguing that there was no need of change a system that had worked to their own satisfaction for years.

The question of the non-life services directive will probably be raised by Mrs Thatcher at the next EEC summit in London at the end of November. Sir Geoffrey Howe, the Chancellor of the Exchequer, has made it clear that he is not interested in a diluted reform that brings no real benefits — a stance that has the backing of Mr Tugendhat.

If the directive does fail to be adopted during the British presidency it will most probably stay on ice until the Dutch turn comes round again at the beginning of 1986. In that case the only action that could be taken towards liberalizing this sector of the EEC market for services would be to fight a case based on the treaty provisions before the European Court.

But for that eventually a committed industrialist with strong financial resources and plenty of determination is needed.

Peter Norman

Business Diary: Sir Raymond rules OK?

That novice in the art of staging national conferences, the Confederation of British Industry, is to rewrite the stage directions for its fifth annual beano at Eastbourne next month.

Having so far failed to come up with a formula sufficiently different from the party political get-togethers to keep the delegates happy and the television audience awake, the CBI has decided to do away with formal resolutions.

Going, too, are the panoply of heavyweight speakers who used to introduce and wind up these debates.

In their place CBI president Sir Raymond Pennock means to bring forward more speakers from the floor — those grey little men in the appalling suits who bound up to the rostrum for a brief moment of electronic glory.

That should keep the delegates happy, but what of television? Sir Raymond's idea is to have debates which the platform (ie, Sir Raymond) will pronounce to be worthy or not of a resolution.

Last year's conference made a bigger splash than the CBI either expected or indeed wanted, when the new director-general, Sir Terence Beckett, made that "bare knuckle" speech.

Illness will keep Sir Terence from Eastbourne this year, but other attraction is to be an eve of conference "Any Questions" featuring, understandably, Sir Geoffrey Howe and, inevitably, Shirley Williams — if she doesn't get the wrong train.

Sour grapes

It was grim news from Louis Latour, the leading Burgundy wine producer, at his annual tasting in Skinner's Hall yesterday. "We have finished harvesting, but in practical terms the 1981 wines scarcely exist", he said.

Senior members of his family, casting their minds back in search of a similarly short harvest, could not remember a worse since 1933 — when a plague of caterpillars struck.

Latour's earnest advice to burgundy lovers is to buy the 1979 vintage, itself light and not outstanding, while they could, the 1978 being already virtually exhausted and the 1980s very poor indeed.

With inflation raging in France, he says, prices must rise, although he gloomily acknowledged that increasing competition must be expected from the booming wineries of California. Unlike many French wine-producers, Latour has no wish to make transatlantic investments.

"Land prices are falling in Burgundy itself, with the recession," he says, "but if we were to think of buying now it would be further south in France, where the sun is more reliable."

The 1981 crop, Latour says, was the victim of an unprecedented series of climatic mishaps, which whirled it away bit by bit.

"I knew it would be no good", he says, "when I went picking blackberries, of which I am very fond, a month before the harvest. If the blackberries are poor, the grapes never prosper."



"May I, for your own sakes, suggest that you confine your adoption of Japanese ideas to the Acclaim?"

A fast buck?

The nattering nabobs on Wall Street who remain stubbornly sceptical of President Reagan's counter-inflation strategy can now point to a further alarming straw in the wind.

Washington is investing in a brand-new high-speed printing press for the Bureau of Engraving and Printing to churn out bank-notes even faster. And the web press has been ordered from Germany, a country which took the lead in high-speed currency production during the hyperinflation of 1920-23.

The press is twice as fast as the models now in service, producing 512,000 notes an hour, as against 256,000. The prototype costs \$1.9m (£1.1m), but this is chicken feed compared with the press's capacity. Printing \$100 bills it

could pay for itself in two minutes and 27 seconds flat.

Printing \$10,000 notes it could pay off the national debt of \$993,000m in eight days and one hour, 55 minutes and 12 seconds.

If the creditors prefer to be paid with smaller bills, say \$10 ones, the press could retire the national debt in 22 years. It would take 220 years to retire the job with singles.

A Bill to permit streamlining the production of \$1 bills was introduced the other day at the United States Treasury's behest, but was opposed by the Republican Congressman for Texas, Mr Ron Paul, who supports a return to the gold standard.

Contract, ent'acte

The Department of Industry is redrafting the contracts of state industry board members as they fall due for renewal, to bring them into line with those in private industry.

This is due to the Tories' wish to see state-owned industries should look, as well as be, more market-oriented. First in line is the British Steel Corporation, whose chairman, Ian MacGregor, was appointed last summer for three years under a novel and controversial transfer deal related to his performance in turning the industry round from record losses.

Among features being introduced in the new contracts is a six-month notice period for termination of employment and specification of the number of board meetings from which directors can absent themselves only with board approval.

These wheezes may go some way towards explaining why Bob Scholey, the burly chief operating officer of the BSC, is at present working for the BSC — without a contract. His previous five-year term of office ended on September 9, and though he has been offered a further three-years, there has so far been no announcement about a reappointment from Industry Secretary Patrick Jenkin.

MacGregor is keen to keep Scholey and the Yorkshire-born steelmaker, who earlier this month celebrated his fifty-ninth birthday, would like to stay. He says that working alongside MacGregor (57) has made him feel ten years younger.

Given the Government's difficulties in attracting people to top positions in the nationalised industries — let alone keeping them — the silence surrounding Scholey's reappointment is particularly deafening.

Yesterday, as if you hadn't noticed, was press day at the Motor fair. One hack who turned up at Earls Court was unusual in that he did not drink and that he actually wanted to buy a car. Managing to raise his voice above the champagne-induced hubbub, he asked after a Fiat Mirafiori. This threw the Motor fair out of gear. A hasty search turned up only one key and that was good only for opening the back seat door of the desired car. As they say in the newspaper trade, the hack made an excuse and left.

Ross Davies

Link House Publications PLC

Increased profits despite launch costs of new publications

Mr G. C. Burt, Chairman, reports further progress in the year to June 30 1981

* Pre-tax profits £4,540,000 up £338,000 on 1980, after launch costs of £458,000 on new titles.

* Strong balance sheet and healthy cash flow.

* Total dividend increased 19% to 10p per share.

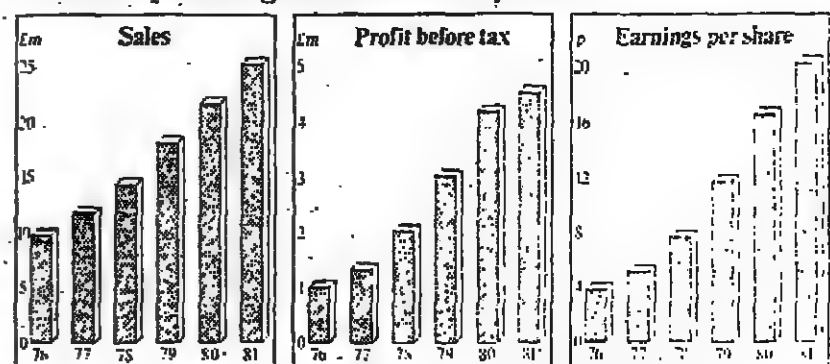
* Directors hopeful of continued growth in current year.

Exchange and Mart Publishing had another successful year.

Link House Magazines invested heavily in new publishing projects including Breaker and Rio magazines.

Blandford Books was affected by world-wide economic recession; substantial improvement expected in current year.

Link House Communications continued its expansion in electronic publishing and information systems.



For a copy of the Annual Report please write to The Secretary, Link House Publications PLC, Robert Rogers House, New Orchard, Fosse, Dorset, BH15 1LU.

Blues of an earlier vintage called to the hundred-year banquet

but has no intention of missing the dinner.

"Mr. Spence stressed yesterday that the dinner provided a great opportunity for the university and its friends who may not have seen each other in a long time. "We believe," he said, "that we can make it a spectacular success."

Spence, who is now living at the Hilton, with old Blues adjacent to those they played with and against. No doubt David Marques will be alongside his old Engham colleagues John Curran (twice skipper) and Bill McEwen. Coplier, still owes him £20.

Oldwyn Brace with his old Oxford half-back partner, M. J. C. Smith and, reviving memories of a recent (twelve years) tour of the States, in 1949, John Kendall-Carpenter and J. V. Smith.

There are plans for the production of a 56-page souvenir programme with a semi-riff cover and a 100-page yearbook. It is almost certainly it will be the largest of its kind produced at a rugby match in these islands. It will sell for 50p, a most reasonable amount in the light of at least 20,000 copies.

The response from advertisers," Mr. Spence reports, "has been staggering, and the revenue—even if the universities can't have all of it—will be invaluable for the university and its sports departments. That may be a modest estimate in the event of the university teams promising a meeting in the near future, and attracting a crowd such as we used to see in the years after the war.

division. And to extend a pack whose skills and cohesion—following a disappointing performance in the playoffs—will be closely monitored by pundits in both camps. By all accounts the Oxford forwards were quite promisingly good. Andrew Bibby, a Canadian international who played against Canada in the 1988 world cup, has returned from his country's tour of South America and now appears on the university wing. From an Australian standpoint, the growing anxiety about the fitness of their senior, scrum half, John Hipwell, throws the spotlight once more on the need for a replacement. The deputy, Tony Parker, is good. And I dare say that most of their forwards may feel that by going really well they can earn a place in the team for a year in their side to meet the North at Gosforth. The line-jumpers especially have something to prove.

Murray Field, who has been playing for Boroughmuir for the third year, and captain of Midburgh University, makes a surprise first appearance in the North Midlands team to meet the champions of the North of Scotland, Thorn-Emu county championship match.

Flake's medical studies have taken him temporarily back to his home town, Birmingham, where he plays for Moseley during his vacation. The past two seasons he has been playing for Moseley in Birmingham, the past year with Moseley, the lock John Dowd, and the No 3 Ian Bowland, are regulars.

The Monmouth captain, Martin Davies, returns to Staffordshire to play against Leicestershire at Burton. The former Moseley and Birmingham player has not a problem in the centre and partners Neil Anderson, aged 15, and the new recruit, winger, who makes his first appearance.

Staffordshire also welcome the first appearance of the Nuneaton

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By Richard Eaton

Ray Stevens, four times national champion, will play with a bandaged hand because of a persistent thumb injury as he attempts a comeback in the first round of the England face Sweden in the second match of their series, sponsored by Crest Hotels, at the Richard Dunn Sports Centre in Chester.

Stevens's decision to play inevitably involves an element of risk and may partly reflect his desire for match practice with the international championships less than a week away. Kevin Jolly, his young Essex county colleague and his closest rival, was in remarkably good form in beating the top Sweden, Thomas Khilstrom, in the first round of the series at the match at Chester on Monday. Stevens faces Khilstrom tonight.

Stevens has no way of knowing how long the thumb, which was dislocated in a fall from a horse, will heal completely. The joint is badly swollen and a specialist has advised that full recovery may take several weeks. "I gave it a go," he said, "but it was a real pain down the middle quite a lot," he said.

Injured pride at stake against the Americans

has a chance on the easy Ascot winner list, Dixon. But here the odds are 10 to 1 between Pigott's mount, Truman Wood, and Princes Gate, who will be ridden by Sydnam. Princes Gate was such an impressive winner from the Grandstand in a earlier-class event, at Ascot recently, that he is difficult to oppose.

The third of the three events, the spring, long, the longer open to the half, is dominated by capable of winning at their best. However, Maryland Cookie and Pigott, a combination recently in the same event, are the only spring, seem certain to take all the beating.

sluqner, winner of a mere \$54 in the spring, under a 16-year-old, is the only horse who has been Maryland Cookie at Ascot but who is now worse off at the weights.

Bob Champion, who had fought off cancer to win the Grand National, received a hero's welcome at Sedgefield yesterday when he had his first mount at the Durham course on Ingham in the Embleton Handicap Hurdle.

Nesbitt, who like Champion has been seriously ill and was celebrating his 51st birthday, invited him up from Wiltshire to ride Ingham, but the six times course winner could manage only fourth place behind Beau Brigg, despite running on strongly in the closing stages.

Starburst maligned his great winning run at Hamilton yesterday, making it five wins from five days' racing when landing the Whirlwind Handicap at the head from Tudorville. His narrow victory was the subject of an objection by John Lowe, who rode the runner-up, for "striking my horse around the head in the closing stages of the race."

The objection was refused by the stewards, prompting the winning rider to say "I was a size 22, to say 'It was a senseless objection, I never even struck his horse. I think it was a very rough

Paris, Oct. 20:—Francis Soubiraine, the winner of today's Prix des Réservoirs at Longchamp, but not as expected with Stalio Niarcho's much fancied Rhythmique, Desmond Stoneyham reports.

The first past the post was the 20-1 Cousin.

The highlight of the afternoon was the first appearance of the Indian King, in the hands of Georges Doleuze, made virtually all the running and could not have left a better impression in the Prix de Lormoy.

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| WINNERS | | OPPORTUNITY | |
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| 101 | Highfield Jct. 6-21-20. 33 | 508 | Winnamass, 11-0 |
| 102 | Graves Spring, 5-10-20 Johnston | 509 | Winnamass, 11-0 |
| 103 | Graves Spring, 5-10-20 Johnston | 510 | Winnamass, 11-0 |
| 104 | Do York, 5-10-20. Address 3 | 511 | Winnamass, 11-0 |
| 105 | Do York, 5-10-20. Address 3 | 512 | Winnamass, 11-0 |
| 106 | French Ark, 5-10-20 | 513 | Winnamass, 11-0 |
| 107 | French Ark, 5-10-20 | 514 | Winnamass, 11-0 |
| 108 | Wardens, 4-10-20 | 515 | Winnamass, 11-0 |
| 109 | Wardens, 4-10-20 | 516 | Winnamass, 11-0 |
| 110 | Highfield Jct. 6-21-20. 33 | 517 | Winnamass, 11-0 |
| 111 | Highfield Jct. 6-21-20. 33 | 518 | Winnamass, 11-0 |
| 5-5 LANGLEY CHASE (Handicap; 2-5; 5m) | | 5-13 RACE HURDLE 3-5-9 novices | |
| 112 | Langley Chase, 5-10-20. 33 | 519 | Langley, 11-0 |
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2-30: 1. Cheerleader (16-1); 2. Mercenary
(10-1). Sylvia's Secret 2-1 fav. 14
ran.

2-30: 1. Systems Analysis (11-1);
2. Ballyhoos (6-1); 3. Palm Cases
(6-1). Copper Water 5-2 fav. 17 ran.
3-0: 1. Partlands (10-1); 2. GM
Beck (5-4 fav.); 3. Kikori (20-1). 13
ran.

3-30: 1. Midnight Love (9-2); 2.
Phone Boy (5-2); 3. Sweet Middle
Life. Hurchill Peak 6-4 fav. 7 ran.
NR: Crisp Return.

4-0: 1. Beau Brigg (12-1); 2. Pre-

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Kestrel.

La creme de la creme

Personal Secretary

£8,600

Our Client, a large international organisation based in the West End of London, is seeking someone of exceptional ability to act as a Personal Secretary to their President.

The post principally involves dealing with the President's personal affairs, therefore a high degree of integrity is essential plus the initiative, charm and the commitment needed for this type of position.

You will need to have a first class secretarial background, with excellent shorthand and typing speeds (minimum 120/60 words per minute) and have previous experience at board level. Preferred age late 20's - early 30's.

Please write, enclosing full cv, naming companies to which you should not forward your application, quoting Ref. no. RPS92 to Sandra Wren, Royds Personnel Services, Royds House, Mandeville Place, London W1M 6AE.

RPS

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Required in the Chairman and Joint Managing Directors' office of a major publisher of provincial newspapers and magazines. Salary not less than £5,000 p.a. The office is currently the responsibility of a secretary and long experience of the company and its personnel. She is due to retire in twelve months and the intention is to identify her successor now. The office will continue to be a busy one with a large staff and the new secretary will have joint responsibility for the current workload and for selecting his/her own successor in about ten months' time. The person we envisage will have a good basic education, excellent typing and shorthand, will be able to work on own initiative as well as deal with filing and routine jobs. The Management is looking to someone with information systems, with particular reference to personnel records, and experience in the field would be preferred. There is a compulsory pension scheme and the holiday entitlement is four weeks per annum. Please write to Mrs E. Postlethwaite, 23-25 Tudor Street, London, EC4A 3DF.

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We are a large international Advertising Agency in Mayfair and are seeking a P.A./Secretary to assist our Managing Director in the efficient organisation of this busy and professional agency. This is a challenging opportunity for someone wishing to work within an advertising environment and for a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

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£7,800

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9 am-5 pm

PUBLIC SCHOOL HEADMASTER requires Housekeeper/Cook starting in January. Further details from The Bureau of Educational Careers, Edinboro, Shropshire, SY16 9AS.

ALPINE BUREAU Bloomsbury Ltd. offers best job London or abroad. Full time, 5 days a week. 24/7. Family of 4 need mature, experienced, full time, 5 days a week, 24/7. Full time, 5 days a week, 24/7. Full time, 5 days a week, 24/7.

640 P.W. CLEAR - Nurse/Housekeeper. Full time, 5 days a week, 24/7. Full time, 5 days a week, 24/7. Full time, 5 days a week, 24/7.

CANADIAN N.I. Garden Rd. elderly lady requires resident companion. No cleaning. Close supervision. Salary negotiable. Ref: 493 2567.

ALPINE BUREAU Bloomsbury Ltd. offers best job London or abroad. Full time, 5 days a week, 24/7. Family of 4 need mature, experienced, full time, 5 days a week, 24/7. Full time, 5 days a week, 24/7.

AUDIO SECRETARY to Secretary-General

Sir Roy Shaw seeks an audio secretary to work with his personal assistant, carrying out his secretarial duties including correspondence, visitors, etc.

Fast, accurate audio typing and a good educational background are essential. Short-hand useful. This post would ideally suit a well-qualified, young secretary looking for excellent experience in a first or second job, but older candidates are welcome to apply.

Starting salary between £5,450 and £6,016 on a scale rising to £6,375. Additional allowances may be obtained after serving for certain periods.

Job description and application form from the Personnel Department, Arts Council of Great Britain, 105 Piccadilly, London W1V 0AQ. Tel: (01) 639 9495. Ext. 21. Completed application forms to be returned by 30 October 1981.

Arts Council OF GREAT BRITAIN

THE SOCIETY FOR THE STUDY OF MEDICAL ETHICS

TAVISTOCK HOUSE NORTH TAVISTOCK SQUARE LONDON WC1H 9LG

Tel. 387 8132

The Director of The Society for the Study of Medical Ethics requires a well educated assistant secretary to help with the work of the Society, which arranges, through the London Medical Society, a group of lectures and seminars on medical ethics. The assistant secretary will be responsible for the day to day running of the Society, including the preparation of the quarterly 'Journal of Medical Ethics' and the 'Bulletin of the Society for the Study of Medical Ethics'. The assistant secretary will also be responsible for the day to day running of the Society, including the preparation of the quarterly 'Journal of Medical Ethics' and the 'Bulletin of the Society for the Study of Medical Ethics'.

Applications with curriculum vitae to the above address. Closing date, 6th November 1981.

EDITOR'S SECRETARY

CIRCA £6,250 P.A.

An experienced secretary aged 25+ with good secretarial (100/60 wpm) and administrative skills is required for the Editor of one of the Financial Times Publishing Ltd. The Editor is looking for a person who will be able to handle the day to day running of the Editor's office, including the preparation of the quarterly 'Journal of Medical Ethics' and the 'Bulletin of the Society for the Study of Medical Ethics'.

The Personnel Officer, The Financial Times Publishing Ltd., Greyhound Place, Fatter Lane, London, W1P 0AA.

or ring: Jennifer Davies on 020 8888 for an application form

RECEPTIONIST WCI

£7,000

Receptionist with personality required to join our team who will slot into the lively design office of our International Printing Company.

Duties include secretarial, some shorthand, book-keeping and telephone. Four weeks holiday. Age 21-35. Salary £7,000.

LONDON PRINT & DESIGN
Ring TESSA on 242 6051

EXPERIENCED AUDIO SECRETARY REQUIRED

By Chemical Partner in busy London office. Experience of handling all phases of secretarial work in the office and under P.C.T. and P.C.T. desirable. Ability to work on own initiative and responsibility. Working hours 9.30-5.30. Salary £6,000 p.a. plus benefits. Four weeks holiday. Please write to: ZADKOWSKI RECRUITMENT LTD., 3 HENDRIK ST. LONDON WC2E 8JF. Tel: 01-493 0594

Telephone: 01-493 0594, Mr. Moss.

ALL DRIED UP? If you get into a bit of trouble helping an interior designer and a bathroom expert set up a new shop in Balgownie, you will need a good, reliable, and willing person to help with the day to day running of the shop. The person we are looking for will be a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

Ring K J McMahon on 01-865 6131 ext. 66

ADMIN/ORGANISER This responsible post involves planning of all administrative and operational aspects of the company. The person we are looking for will be a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

Ring K J McMahon on 01-865 6131 ext. 66

TRAVEL SEC. Accomplished and experienced Sec (no chd) 20+, to be trained as a travel agent in thriving W1. Good, thorough training given to public school and education. Call 408 1531 MIDDLETON JEFFERS

WI CHARITY £6,000 This wonderful charitable organisation is looking for a secretary to help with the day to day running of the charity. The person we are looking for will be a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

Ring K J McMahon on 01-865 6131 ext. 66

Elizabeth Hunt RECRUITMENT CONSULTANTS 18 Grosvenor Street London W1 Telephone 01-499 2921

£8,500 + CAR LANCASHIRE Chairman of important group needs P.A./Secretary. Must be a good organiser, a car driver and free to travel. Age 30-40. DIRECTIONAL SECRETARIES 01-429 9323

CONFERENCE ORGANISERS W.I. Need well-educated P.A./Sec. for the M.C. Should have an unflappable nature and organisational flair to assist in running conferences. Good telephone manner and sec. skills essential. Aged 22-35. Ref: 493 2567. Telephone 01-734 5247.

RECEPTIONIST/AUDIO TYPIST 20+ with at least 1 year's experience in reception and audio typing. Good telephone manner and sec. skills essential. Two client contacts. Ref: 493 2567. Telephone 01-734 5247.

PERSONALITY PLUS! Young lady, preferably with 20+ years experience, required to organise membership drive. P.A. background would be an advantage. Salary £7,000-£8,000 including pension. Ref: 493 2567. Telephone 01-734 5247.

AN OPPORTUNITY TO LIVE RENT FREE For a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

Ring K J McMahon on 01-865 6131 ext. 66

SECRETARY/PA 25-30. Is required by the General Secretary to assist with the day to day running of the office. The person we are looking for will be a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

Ring K J McMahon on 01-865 6131 ext. 66

INTERNATIONAL LAWYER requires for his West End office a P.A./Secretary. The person we are looking for will be a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

Ring K J McMahon on 01-865 6131 ext. 66

MD'S SECRETARY TO £6,500 The Company based in W1, has a vacancy for a P.A./Secretary. The person we are looking for will be a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

Ring K J McMahon on 01-865 6131 ext. 66

EXPEDITIONS CENTRE Administrative Secretary required for the day to day running of the office. The person we are looking for will be a young, well-educated and intelligent person with a sound secretarial background who has the ability to liaise with both staff and clients using tact and initiative when dealing with the day to day administration. The salary is negotiable but would reflect the responsibilities involved. We have a subsidised restaurant, wine bar and company car. For further details please telephone Helen Bryant on 020 4936.

Ring K J McMahon on 01-865 6131 ext. 66

SECRETARY/P.A. FOR ARCHITECTS Busy but friendly practice requires experienced secretary with excellent skills. Salary £6,000. Ref: 493 2567. Telephone 01-734 5247.

Ring K J McMahon on 01-865 6131 ext. 66

CONFERENCE ORGANISERS W.I. Need well-educated P.A./Sec. for the M.C. Should have an unflappable nature and organisational flair to assist in running conferences. Good telephone manner and sec. skills essential. Aged 22-35. Ref: 493 2567. Telephone 01-734 5247.

Ring K J McMahon on 01-865 6131 ext. 66

SECRETARY

ENTERTAINMENT INDUSTRY

A Secretary (S/H and Audio) is required for the Director of Legal and Business Affairs of the PolyGram Group of companies. Dealing with the record, film, television and video, direct marketing and music publishing divisions of the Group, as well as the legal and business affairs function and industry associations. The successful applicant must be able to work under pressure and with initiative.

A salary commensurate with the importance of this position will be offered. Benefits include LVS and 5 weeks' holiday. Please write to Sally Trill, PolyGram Leisure Ltd, 15 St George St, London W1. 01-499 0422.

Arts Council OF GREAT BRITAIN

The National Heart & Chest Hospitals Brompton Hospital

Personal Secretary/Assistant

£5,978-£7,543 p.a. inclusive (starting salary according to experience).

Are you interested in the world of finance? If so, we require an experienced secretary to work for the Treasurer of this leading postgraduate hospital. The applicant must have first class secretarial skills, the ability to work on own initiative and a liking for figures. Application form available from Miss J. A. Jenks, Personnel Manager, Brompton Hospital, Fulham Road, London SW3 6HP. Tel: 01-352 8121 Ext. 4357.

Applications with curriculum vitae to the above address. Closing date, 6th November 1981.

Angela Mortimer Ltd. Recruitment Consultants 629 9446 166 Piccadilly

PUBLISHING £5,500-£7,000

A person with superb secretarial skills and the education and experience to match, is needed by this brilliant publisher who offers one of the most interesting jobs in town.

For an application form, please write to: Jennifer Davies on 020 8888 for an application form

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P.A./RESEARCH ASSISTANT

£6,000 + P.A.

The Director of the Technical Change Centre requires a P.A./Research Assistant to join him as soon as possible.

Candidates must be able to type and, more importantly, to conduct library searches for information and to produce statistical and other appraisals.

In addition to a starting salary of at least £6,000 p.a., the other benefits offered will be in line with good modern practice.

Applications, giving full details of qualifications and experience should be sent to:

The Secretary, Technical Change Centre, 114 Cromwell Rd., London S.W.7.

or ring: Jennifer Davies on 020 8888 for an application form

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Time to buy—but shop around first

at the
London

Today's television and radio programmes

Edited by Peter Dear

BBC 1

6.40am Open University: Linear Maths: Review: 7.05 The New Forest: 7.30 Circles: 7.55 Close Down: 8.05 For Schools: Colleges: Engineering Craft Studies: 9.30 Science Workshop: Fabrics: 10.00 You and Me. (not Schools): 11.00 Words and Pictures: 11.17 Trigonometry: 11.20 Words and Pictures: 11.17 Read On: 11.40 Exams and All That: 12.05 French conversation: 12.30 News After Noon with Richard Whitmore and Moira Stuart: 1.00 Pebble Mill at One. In the Star Chef spot this afternoon is Clement Freud who prepares quiches of cod and a hanger cure: 1.45 Postman Pat. A See-Saw programme for the very young: 2.00 For Schools: Colleges: The Asian Festival of Light: 2.15 Hillier's Germany: 2.40 At the Dentist: 3.00 Close Down: 3.15 Songs of Praise from St Giles' Church, West Bridgford (r).

BBC 2

10.20 am Chamber. A magazine programme with advice for Asian women. 10.45 Close Down. 11.00 Play School. Carol Cull and Chris Brownell are the presenters and the story is Orange Boats and Apple Waves by Phyllis Jowett. 11.25 Close Down.

Anne Louise Lambertas
Lucy Borge (BBC 29.25pm)

ITV/LONDON

9.30 For Schools: The Olympics: 9.47 A tall animal: 10.04 Working in a police station: 10.16 A day trip: 10.30 Boulton: 10.38 Relationships: 11.02 The computers role in medicine: 11.20 Elementary science: 11.39 How we used to live: 12.00 The Munch Bunch. Animated adventures of talking vegetables: 12.10 Rainbow. Educational puppets: 12.30 Turning Point. Corn Morris talks to a man whose life has been saved by the Gamblers' Anonymous organisation: 1.00 News: 1.20 Thames News: 1.30 Armchair Theatre. Part four of Dying Day. The day Skilling believes he is going to be killed arrives but it does not turn out as expected: 2.00 After Noon Plus. Kay Avia talks to the new Secretary of State for Employment, Norman Tebbit: 2.25 International Jockeys' Championship from Kempton Park. Introduced by Brough Scott with Willie Carson. Five jockeys from America and five representing the UK compete for the Chivas Regal Trophy. The races are the 2.45, 3.20 and 3.55.

Radio 4

6.00 News Briefing.
6.10 Remembrance Today.
6.30 Today.
6.35 Yesterday in Parliament.
9.00 News.
9.05 Midweek: Mavis Nicholson.
10.00 News.
10.02 Gardener's Question Time from the Hadden Horticultural Society, Northumberland.
10.30 Daily Service.
10.45 Morning Story: "Lesson One" by Alan Brad.
11.00 News.
11.05 Baker's Dozen.
12.00 News.
12.02 You and Yours.
12.07 Transatlantic Quiz. (Round 2).
12.55 Weather.
1.00 The World at One.
1.35 The Political Broadcast by the Conservative Party.
1.40 The Archers.
2.00 News.
2.02 Women's Hour.
3.02 Play The Chairmen's Statement: "Reflections on the Resources" by Don Webb.
3.50 Abroad Thoughts from Home (series). Reflections on the beyond our shores. Dr Rob Buckman on South Africa.
4.00 Priesthood's Progress (r). "Jesus Saves Or Does He?"
4.45 Story Time "King Charles II" by Frances Fraser (r).
5.55 Weather.
6.00 News.
6.30 The Senior Partner (series). Andrew Cruickshank in "The Knockout".
7.00 News.
7.05 The Archers.
7.20 Checkpoint (new series).
7.45 A Stone, A Plant, A Star. In 1938 James Agate, a journalist and Walker Evans, photographer, were sent to investigate the plight of white tenant farmers in the south of the United States. This programme is based on Agate's account of his findings. "Let Us Now Praise Famous Men" by James Agate, Peter Marking as Evans.
8.45 Analysis.
9.20 Microscope.
9.55 Weather.
10.00 The World Tonight.
10.30 Lord Peter Wimsey (new series). "Hed His Caravan" by Dorothy L. Sayers, adapted in six episodes. With Ian Carmichael as Lord Peter Wimsey. "The Evidence of the Corpse".
10.55 Analysis.
11.00 News.
11.05 The World Tonight.
11.30 Lord Peter Wimsey (new series). "Hed His Caravan" by Dorothy L. Sayers, adapted in six episodes. With Ian Carmichael as Lord Peter Wimsey. "The Evidence of the Corpse".

Radio 3

6.55 Weather.
7.00 News.
7.05 Your Midweek Choice Record requests: Elgar, Chopin, Berlioz.
8.00 News.
8.05 Your Midweek Choice (continued). Mozart, Schumann, Brahms.
9.00 News.
9.05 This Week's Composer: Rachmaninov, records, including mono.
10.00 Organ Music at Holbrook: Suffolk. 11.00 For Schools: 2.00 For Schools. 5.50 PM (continued). 11.00 Study on 4.
6.55 Weather.
7.00 News.
7.05 Your Midweek Choice Record requests: Elgar, Chopin, Berlioz.
8.00 News.
8.05 Your Midweek Choice (continued). Mozart, Schumann, Brahms.
9.00 News.
9.05 This Week's Composer: Rachmaninov, records, including mono.
10.00 Organ Music at Holbrook: Suffolk. 11.00 For Schools: 2.00 For Schools. 5.50 PM (continued). 11.00 Study on 4.

Radio 2

5.00 Ray Moore: 7.30 Terry Wogan: 10.00 Jimmy Young: 12.00 John Dunn: 1.00 Ed Stewart: 1.00 David Hamilton: 1.00 David Sykes: 1.00 European Soccer Special: 9.30 The Boston Pops (including 10.10 G. G. the Most Out of Your Body (in G. G. 10.30 Hubert Grey: 11.00 Brian Matthews: from midnight 1.00 Thelma Houston: 2.00-3.00 Two's Company: 4.00.

Radio 1

5.00am As Radio 2. 7.00 News Road 9.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 Paul Burnett. 2.50 Steve Wright. 3.00 Peter Dinklage. 3.30 Peter Dinklage. 4.00 David Sykes. 4.30 David Sykes. 5.00 David Sykes. 5.30 David Sykes. 6.00 David Sykes. 6.30 David Sykes. 7.00 David Sykes. 7.30 David Sykes. 8.00 David Sykes. 8.30 David Sykes. 9.00 David Sykes. 9.30 David Sykes. 10.00 David Sykes. 10.30 David Sykes. 11.00 David Sykes. 11.30 David Sykes. 12.00 David Sykes.

World Service

6.00am News. 7.00am News. 7.05am News. 7.10am News. 7.15am News. 7.20am News. 7.25am News. 7.30am News. 7.35am News. 7.40am News. 7.45am News. 7.50am News. 7.55am News. 8.00am News. 8.05am News. 8.10am News. 8.15am News. 8.20am News. 8.25am News. 8.30am News. 8.35am News. 8.40am News. 8.45am News. 8.50am News. 8.55am News. 9.00am News. 9.05am News. 9.10am News. 9.15am News. 9.20am News. 9.25am News. 9.30am News. 9.35am News. 9.40am News. 9.45am News. 9.50am News. 9.55am News. 10.00am News. 10.05am News. 10.10am News. 10.15am News. 10.20am News. 10.25am News. 10.30am News. 10.35am News. 10.40am News. 10.45am News. 10.50am News. 10.55am News. 11.00am News. 11.05am News. 11.10am News. 11.15am News. 11.20am News. 11.25am News. 11.30am News. 11.35am News. 11.40am News. 11.45am News. 11.50am News. 11.55am News. 12.00am News. 12.05am News. 12.10am News. 12.15am News. 12.20am News. 12.25am News. 12.30am News. 12.35am News. 12.40am News. 12.45am News. 12.50am News. 12.55am News. 1.00am News. 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Frank Johnson in Croydon
Blue chips run amok
in territory
once impregnable

Continued from page 1

Cloistered with the ethnic minorities, his good will no doubt swirled and heaved uncontrollably. Conservatives as in Cyprus, he would probably be assuring the baffled, but still courteous Sikh representatives.

As for the Kastafarians, he had the honour of commanding some of them in war; marvellous little men who absolutely terrified the Japanese; the Labour Government should never have disbanded the Kastafarian Regiment.

The youthful Blue Chips ran amok in a residential area considered, at least before their arrival, to be impregnable. Their task was to put the frightened Conservative voters who had told earlier canvassers that they were defecting to the Conservatives.

Mr Christopher Patten, the Member for Bath, was the Blue Chip ringleader. He

what he said".

□ Mr Heath was quoted in this space yesterday as having had no alternative but to reply to a woman voter at Croydon who said she would vote Conservative if they agreed to let her have the right of Mr Mrs Thatcher, though he had his disagreements with the Prime Minister, he could not possibly agree she should be got rid of.

There originally followed a sentence that was not repeated. It may have been what he had no alternative to reply, but perhaps he did not. For he himself remained silent. Under the First Law of Journalism, this was the sentence which was inadvertently lost somewhere in transmission.

So the passage, as published was a serious allegation against Mr Heath of loyalty to the Conservatives, which allegation I unreservedly withdrew. I apologize to Mr Heath for the distress it must have caused him.

Poll warning, page

He also criticized the legal system for allowing doctors to give conflicting evidence as to what part of the hospital was responsible for the doctors appearing as experts had failed to show the most essential characteristics of an expert witness—impartiality and independence.

■ The Association's hospital junior staff committee, which represents all NHS junior hospital doctors, has called on the Association to ensure that junior doctors' working week to a maximum of 80 hours

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 Wind direction and speed are an additional aid.

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